





# Catch a rising Star

STAR (GREAT BRITAIN) is an incredible property company which has suddenly become credible. Surprisingly for the City, the change has been wrought by upheaval and trauma. Star's guiding genius, Robert Potel, whose ambition was to make Star the biggest property company in Britain, in Europe and, indeed, the world, died abruptly with his resignation from the board in June. It was not just that the institutions backing the company had grown nervous of never seeing a properly comparable balance sheet between one year and the next, or that the huge £190 million development programme planned for Britain, North America, France, Belgium, Italy and Australia had run into financing problems. The plain and simple story was that Star's top executives were exhausted.

"We've been stretched beyond our management resources ever since Robert began his big expansion programme," said one executive. Ironically, Star was stuffed full with qualified property people after the Second Covent Garden acquisition last year. Yet many of them were under-employed and are now being pruned out. That in itself was a measure of the disorganisation at Star. Then again, there was the style of management. A man like Potel is more interested in keeping running than looking at the compass. Ambitious developers could come up with ideas which, if they were big enough, got the go-ahead. But it meant that schemes like the Genoa development, a £15 million office project were poorly controlled. David Llewellyn, Star's new chief executive, acknowledges the contribution Potel made. Star's growth after all has been phenomenal. With a property portfolio of less than £10 million three years ago, Star was a midget in the property game. Today, its £400 million gross

assets and drastically cutdown £127 million development programme, makes it the third largest property company in Britain. In the course of this development, Star has pioneered a take-over tactic which, astonishingly, has paid off. In simple terms, Star has been willing to pay well over the odds for its acquisitions. The most famous of these was of course the acquisition of Felix Fenston's Metropolitan and Provincial Properties in 1969 at 17s 6d a share when Fenston had been prepared to accept 12s 4d from Greenbaven Securities. A subsequent revaluation threw up a 50% surplus which justified Star's price. But since then the acquisitions of Rodwell, Sentar Investments, 50% of District and Edware Properties, Bracken Properties, Watney Mann Property, Second Covent Garden, Eagle Star's 27% of the Canadian Trizec Corporation and various smaller groups have meant that Star has paid out a total of £59 million. Of this £22 million was in convertible loan stock, £3 million cash and the rest in shares. Star's equity base has grown from £1.1 million to £14.6 million. The convertible loan stock will add another £12.9 million to the equity in 1978-80 and the convertible preference stock another £1.1 million in 1981. After taking interest payments into account, this represents an effective dilution of 90%.

It was this dilution which had worried many of Star's friends. In the 1970 accounts, net asset value is estimated at 48s a share, but fully diluted this falls to around 31s. The institutions were concerned to stop Star's furious acquisition programme, and David Llewellyn, after nearly four years of hectic flying around, has been happy to oblige.

The consequence of this consolidation phase is that Star's development programme has been severely curtailed. Early this year, developments scheduled for

Britain were estimated to cost around £100 million. By the late spring this had been cut to a more realistic £90 million. The final figure, after the review carried out following Potel's resignation, is £81 million.

The old policy of plunging into development plans and then scratching round for finance has been abandoned. Only £29 million of the UK programme, relating to building contracts and expenditure in 1972/73, has still to be financed, and the board is firm that it will not enter into any contracts until satisfactory finance has been arranged. With a greatly improved liquidity situation arising from sales of properties—by the end of the year Star should have some £20 million in unused facilities and cash—it can afford not to have to finance its developments via low return leasebacks. As it happens, only £30 million of the £81 million UK developments will be so financed, but this proportion is likely to fall.

Meanwhile, the £46 million European development programme is being frozen, and given the difficulties of raising more than short term finance in Europe, Star's ambitions there have been considerably watered down. But apart from the Genoa project, which could lose Star anything between £1 million and £1 million, the other projects are going well. The £15 million Paris project in particular, is nicely under way, with the offices recently built already let. The rest (two-thirds of the project) will be sold. The profit on sale should leave the first third as a free investment for Star.

The big excitement however is Canada. Since it acquired its 60% control of the Canadian Trizec Corporation, the latter has taken over Cummings and Great West International Equities, making it the largest (gross assets \$454 million) real estate company in North America. Canada



Robert Potel: ran too fast



David Llewellyn: new anchor-man

has traditionally been a graveyard for British property companies. But the market there is changing fast. With the new investment law making it prohibitively expensive for Canadian investment institutions to hold more than 10% of their funds outside Canada, the institutions should increasingly turn to property. This is one area they have consistently ignored. When they have bought property, they have done so on an average 10 years purchase of rents, compared with around 14 years in Britain. But even without that, the manager of Trizec, Cummings and Great West has created a grouping with a considerably healthier financial base, though the 80% borrowing ratio is still high. With gross assets of \$454 million, and net assets of \$93 million, its contribution to Star on a full year basis (in the interim profit statement for the year ending in March—the financial year has been extended to October to put all the companies in the group on a common basis) is expected to be around £3.2 million. This should rise to £3.4 million for the October year end.

So for the group as a whole the interim profit for the year ending in March should be around £1.5 million. As Trizec's tax liability is minimal—Canadian depreciation rules mean that it will not pay any significant tax for a good

many years—most of this will come through to earnings of around £3 million. This estimate is in fact rather higher than the estimate produced by Sebag's bullish circular on Star. Sebag estimates that the March interim earnings to be declared next month will turn out to be around £2.3 million, but that this should rise to around £3.3 million in October. Other property sources close to the company, though, feel that this is on the low side.

The point is that Star has at last got around to the job of improving its property contracts rather than just going for growth. Reversions and rent reviews should bring in £600,000 or more a year until 1975 and 1976 when the figure should jump to £1.5 million, subsequently falling back to £600,000. Lee House, for example, is currently let at under 175p a sq ft. In 1976, two-thirds of the leases come up for renewal and should command at least £8. Star's historic P/E of 40 at 215p is now completely obsolete. On my estimate of £3 million earnings, the rating would be 21, or 32 fully diluted. On Sebag's estimate for the March interim earnings per share of 7.8p would put the P/E at 27. With net assets of 238p per share at end 1970 balance sheet dates, the share still looks remarkably cheap.

Aziz Khan-Pannu

## Into Dunlop-Pirelli—via Italy

PIRELLI is one of only a handful of Italian companies which are well known outside Italy. Although it is controlled by one of Italy's powerful industrial aristocracies—the Pirelli headed by 48-year-old Leopoldo Pirelli—it has built an unusually strong international business for its tyres, rubber products and cables. The Pirelli family, early on, put all their non-EEC interests into a separate quoted Swiss company. Then a year ago the family struck a deal with British competitor Dunlop to swap up to 49% shares in each other in a multinational merger. This has created Europe's largest tyre company with about a quarter of the market, and the third largest rubber company in the world after Goodyear and Firestone, with combined sales of about £950 million in 1970.

The prospects for this union have not done either the Dunlop or Pirelli share prices much good, and Pirelli remains depressed. There are good reasons particularly on the Italian side, for this. Italian shares are not attractive to investors even in Italy. There the mentality is totally different. To deal in stocks and shares, *giocare*, means to speculate or gamble. The Milan stock exchange, 50% of all share transactions, lists only 130 companies, and prices have been in almost continuous decline for the past 18 months. Confidence was recently rocked further by a stock-broker fraud in Venice. It is not an accident that this first Italian Euroshare should be written in the middle of the annual three-week closure of the Milan exchange.

Pirelli revolves around three quoted companies. The family shareholding company Pirelli & Co. (Pirellina on the stockmarket) which has big stakes in Italian companies like Montedison, plus 72% of Pirelli SPA (Pirellona) and 49% of the Swiss Société Internationale Pirelli of Basle (which itself owns 12% of Pirelli

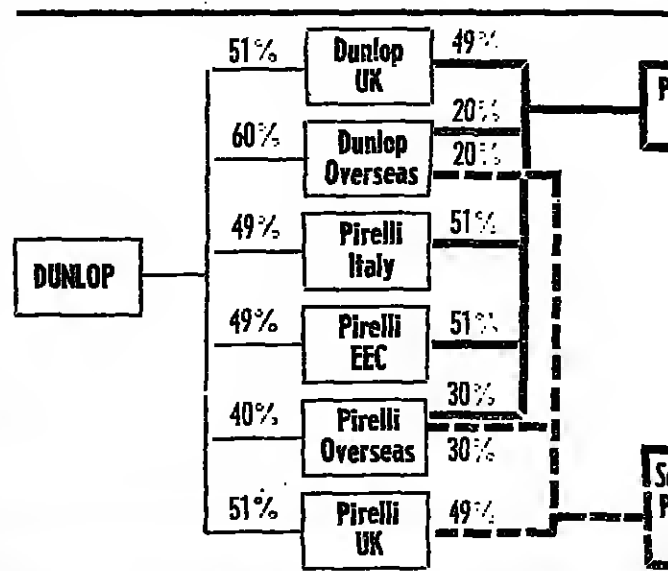
**EUROSHARE**  
PIRELLI SPA  
Price: 1226 (£1.49); Dividend: £110;  
Yield gross: 5.0%; Market capitalisation: £101 million; Number employed: 48,000; 1970 non-consolidated profit: £8.4 million; Sales: £215 million (1970 est.).  
SOC INTERNATIONALE PIRELLI SA  
Price: S.F.220 (£22.4); Dividend: S.F.12;  
Yield: 5.5%; Market capitalisation: £34.6 million; Number employed: 31,000; Sales: £195 million (1970 est.); Dollar premium: 224%.

SPA). As if this were not complicated enough the Dunlop-Pirelli linkage shown in the diagram has substantially shifted the sources of earnings for all the companies concerned.

No accounts on the new basis have been released, and the situation is complicated by a

losses at home in 1970, strikes, but this was offset by large overseas earnings. SPA actually managed a profit and paid a dividend. Dunlop however is recovering fastest as don brokers Williams do estimate that for 1971 will concede £3.9 million to Pirelli in return for million from Pirelli. Long however Pirelli has perhaps better growth prospects, has been investing heavily in tyre factories over the past years.

James



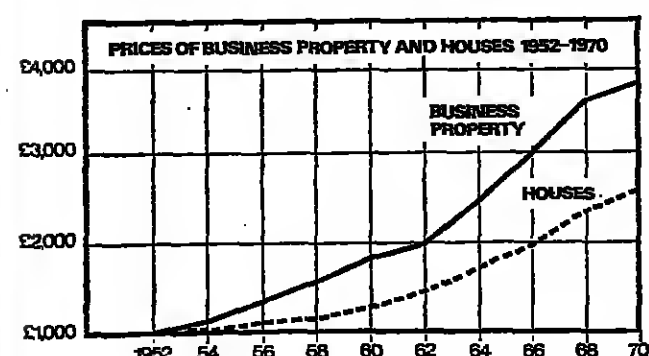
# Draw 6% p.a. tax free

## —with all the security and growth potential of Hambro Property Investment Bonds

Since the beginning of May over 3,500 people have invested nearly £5,000,000 to make the launch of Hambro Property Investment Bonds the most successful ever.

Why? Because of the following important advantages:

1. The security and growth potential of first-class business property.
2. Backing by Hambros, one of the most famous names in British banking.
3. Management by an outstandingly successful team, led by Mark Weinberg, with an advisory panel of property experts.
4. Increasing life assurance cover built in at no extra cost.
5. Valuable tax advantages.



**1 First-class business property**  
Everyone knows from their own experience that the prices of houses have risen dramatically over the years. The graph (specially commissioned by Hambro Life from the Economist Intelli-

gence Unit) shows how business property has risen in value even more dramatically over the last 18 years. Naturally, there can be no guarantee that business property prices will continue to rise in the future at the same rate as they have in the past;

Indeed, values could fall as well as rise. But the historical trend has been strongly upwards, and, in our opinion, a well-selected spread of business property is likely to prove a highly rewarding investment.

To combine the prospects of good capital growth with a secure and rising rental income, the policy of the Fund is to invest in first-rate office buildings, shops and industrial premises in the growth areas of the United Kingdom, let on long leases to good quality tenants with regular rent reviews. Initially, up to 20% may be invested in financing new buildings in partnership with established developers. To improve its yield and growth prospects, the Fund may, in proper circumstances, buy property subject to an existing mortgage or borrow against properties to purchase further buildings, provided total borrowing does not exceed 25%.

Rental and other income, after expenses, charges and tax, is automatically reinvested in the Fund to increase the value of your Bonds.

**2 The security of Hambros**  
Hambro Life is a member of the Hambros Bank Group. This means that as well as enjoying the backing of one of the leading merchant bank groups in the world, Hambro Life will be able to invest the whole of its Fund in property. The Company has a standby credit with Hambros Bank—initially set at £1 million—which makes it unnecessary to maintain a margin of liquidity inside the Fund in present circumstances.

**3 Management expertise**  
Hambro Life is managed by a team, led by Mark Weinberg, who have had outstanding experience in the field of property bonds. Their achievements include founding and building up one of the

## How you can draw 6% p.a. tax free

If you invest at least £1,000 you can take advantage of the 6% per annum Cash Withdrawal Plan.

Twice a year, 3% of your Units will automatically be cashed-in and you will be sent a cheque for the proceeds. This amount is free of income and capital gains tax.

Assuming the net rental income accumulated in the Fund is 34% per annum, the capital value of the investments in the Fund will have to grow by

24% p.a. (after allowing for capital gains tax) in order to maintain the original value of the Bonds calculated at the offered price. Of course, to the extent that the capital growth is greater, the value of your remaining Bonds will grow even after you have drawn 6% per annum in cash.

\*If you're a surtax payer, you'll be liable for surtax solely on the profit element in the 6%.

largest and most successful life assurance companies in the country.

A panel of experts with wide property experience has been set up to determine policy and to supervise the investment of the Fund. The members of the panel are: J. E. Cullis, Chartered Surveyor; J. N. C. James of the

Grosvenor Estate; and Geoffrey Morley, former investment manager of the Shell Pension Fund. Under the guidance of these experts, a full-time property investment manager, who is himself a Chartered Surveyor, will manage the Fund on a day-to-day basis.

A leading firm of Charter-

ed Surveyors, Messrs. Jones, Lang, Wootton, will independently value the properties in the Fund at least once a year.

**4 Increasing life assurance**  
Unlike any other property bond, Hambro Property Investment Bonds have a built-in life assurance benefit which actually increases with the value of the Bonds themselves. This means that the amount payable either to your family or your estate on your death is always in excess of the actual cash-in value of your Bonds.

**5 Tax advantages**  
The rental and other income which is accumulated in the Fund for your benefit is subject to tax at only the reduced life assurance company rate of 37½%. It is not treated as your income for tax purposes, so that you pay no income tax on it. There may be a liability to surtax when you take out the proceeds if you are then liable to surtax, but this amount is calculated on advantageous terms. You are not liable to capital gains tax, and do not have the trouble of keeping records. The price of the Units is adjusted to allow for the Fund's own prospective liability. In current circumstances it is intended to restrict this deduction to 20% of the capital growth.

**How can I watch the value of my Bonds?**  
The Hambro Property Investment Fund is split into Units and the value of the Fund is calculated twice a month. The resulting offered and bid prices are published in The Times, Financial Times and other leading national newspapers.

**How do I cash my Bonds?**  
You can cash-in your Bonds at any time by sending in a simple claim form, and will receive a cheque within a few days.

To ensure that Bondholders receive the maximum value when cashing-in their Bonds—even in the very unlikely circumstances when it may be necessary to sell properties to meet withdrawals—the Company considers it prudent to reserve the right to defer repayment in exceptional conditions for up to 6 months. This will not apply in the case of the death of a Bondholder.

**What are Hambro Life's charges?**  
The offered price of the Units takes into account an initial charge of 5% and a rounding-up charge on unit trust principles. In addition, Hambro Life receives an annual charge of 8% of the value of the Fund. This covers the cost of providing the life assurance benefit as well as the Company's expenses.

The cost of buying, selling and managing the properties, as well as the valuation fees, are paid out of the Fund, and will not exceed the charges laid down by the Royal Institution of Chartered Surveyors.

**Annual Report**  
Every year, you will be sent the Annual Report of the Fund, giving a full description of all the properties, the names of the tenants and when the rents under the leases come up for review, together with the valuations of the property by the independent valuers.

**How do I buy Hambro Property Investment Bonds?**  
Simply complete the application form and send it in with a cheque for the amount you wish to invest. Your Bonds will be sent to you within four weeks.

**To: Hambro Life Assurance Limited**  
6 Little Portland Street, London, W.1. 01-637 2781

I wish to Invest £ (minimum £250) in Hambro Property Investment Bonds and enclose a cheque for this amount payable to Hambro Bank Limited.

Surname: Mr./Mrs./Miss \_\_\_\_\_

Full First Names \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ Date of Birth \_\_\_\_\_

Are you in good health and free from effects of any accident or illness? ☐ If not, please give or attach details.

Tick here for 6% Cash Withdrawal Plan (minimum investment £1,000) ☐

Signature \_\_\_\_\_

Date \_\_\_\_\_ STB SP 7

**Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.017. Offer closes on Friday 27th August, 1971.**

The death benefit is a percentage of the cash-in value of your Bonds, depending on your age at death. Specimen examples are set out below (a full table appears in the Bond policy).

Age 30-35: 250%  
Age 36-40: 150%  
Age 41-45: 100%  
Age 46-50: 75%  
Age 51-55: 50%  
Age 56-60: 25%

These benefits come into force only upon the acceptance of your application by the Company, which reserves the right to refuse to issue a policy if you are not in good health or for any other reason. Commission of 10% will be paid on the application fee. The stamp of a bank, insurance broker, stockbroker, solicitor, accountant or estate agent. This advertisement is issued on the basis of the information given.



Business news City, investment, money

# Watney terms revealed

INE major City establishment publicly implies her might have been a underhand dealings, feel-become very bitter. The has not developed yet, takeover Panel's decision state the share dealings. Watney's share price p to 128p last week, s the suspicions that n growing about this ary affair over the last

nt is that Watney's new xrengb has raised the its last published offer from 42p to 45p. s the share dealings. Watney's share price p to 128p last week, s the suspicions that n growing about this ary affair over the last

Watney's board and their Guinness Mahon, say welcome the Panel's decision. The Panel's decision is a welcome alternative to the capital gains tax, which would raise Watney's 73p.

## res for the gold game

Y CRISES breed gold as a Presidential election campaign begins to hot up. Gold shares spurted when the dollar began the dollar gold shares spurted when the dollar began the dollar gold shares spurted when the dollar began the dollar

## il: a £5 bid from Beecham?

### IKETMETER

areholders' attention d to Beecham's he has existing rival he resiled their cards on Rowntree sticks to its backed by the Bovril nam has now gone nominal 480p and has n the shares it is 90p to provide a 400p tive for every Bovril shers who want stodgy Rowntree nor al Cavenham (see "The Goldsmith", Page 41) e market is able to buy an extra il at 474p on Friday, take to just under a abe at the time of buy- am's Jimmy Goldsmith, have to go on to hrough the market d out up more than the al Cavenham cash. is hope that he will be embarrased by a 3 worth a mark 300p t that Beecham's own proved so strong.

has returned with a p after languishing ier in the week. Three ers have been making al candidates, sel deny involvement.

be reconsidering its opposition to Watney. Significantly, the recommendation for Grand Met's bid has been withdrawn.

Meanwhile all the candidates canvassed for Watney, ranging from Grand Met itself to British American Tobacco, Bass Char- rington, the American Soblitz and the Danish Carlsberg, have denied involvement. One theory is that the "several million" Watney shares traded in the market (the deals the Panel is looking at) were in fact the same shares being recycled within a circle of friends. All good for Watney's share price, especially if it brings in the speculators. And, of course, that is how things have worked out. There is no shortage of gamblers on a bid for Watney. If that is too cynical, it is only so in the context of a feverish market too willing to find bidders under every bed. For Charles Villiers, chairman of Guinness Mahon, the Panel's verdict should be a welcome re-assurance.

## Sears drags its heel

SEARS HOLDINGS, Charles Clore's strange amalgam of shoes, stores and engineering, has come tumbling down from 175p to 164p since the start of the month. This is the first big break in one of the market's most spectacular recent success stories.

The question now is whether there are more bearish signals about Sears. Engineering earned 23% of Sears' profits to 1970-71 and since 1966-67 its compound growth rate has outstripped other divisions of the Clore empire, at 13.3%. The Bentley group, earned the bulk of the growth and profit in engineering.

But if you want to play the currency game, go for stocks like Union Corporation (at 199p); its Evander Mines have vast reserves of low-grade ore and would stand to gain spectacularly if the gold price goes on rising. Union also has a base broad enough to avoid the worst inflation problems. Or buy Rand Selection, with 40% of its income from gold. But into medium-grade mines—the very profitable ones—have only marginal gains to make from price rises, and some of the low-grade ones would merely lose Government assistance if they were to come into profit.

As a Presidential election campaign begins to hot up, gold shares spurted when the dollar began the dollar gold shares spurted when the dollar began the dollar

with its automatic knitting machines. Now, Bentley is sound- ing cautious notes, warning that replacement will soon be a more important part of the business; demand stays high, but customers are coming close to having satisfied their needs. William Cotton, in the Bentley group, has already laid off 400 workers in nine months, which suggests that the profit fall between 1968 and 1970 —£1.58 million to £841,000—may have continued.

## Abercom moves in

ABERCOM, the South African take-over specialist, which picked up a London stockmarket quota-

tion at the end of last year, is preparing to use it, as it promised, for take-overs here. David Lurie, the acquisition seeker, is setting up a semi-permanent base in London, leaving partner Murray McLean managing the specialist clutch of South African engineering companies the group has acquired in its meteoric career.

The London base is a logical development given the depressed state of South African industry. There are only some 750 quoted companies on the Johannesburg stock exchange and Abercom has ploughed through what is available of those. It has also worked thin the seam of private companies it could buy, like the Flekker steel group deal clinched last week for £500,000. Its next acquisitions will probably come from among the many UK companies that have South African subsidiaries.

The results for the year ended in June are expected in a month's time. The prospectus forecast earnings of 28c a share and this has almost certainly been beaten comfortably, with earnings of up to 30c a share. The shares since the introduction have risen from 150p to 180p now, where they are selling on a P/E of around 10, a low risk for the potential they offer.

Most other funds just cannot afford such large transactions. Obviously, investment on such a scale brings rewards on the same scale, both in growth and security.

In the last 12 months alone, Abbey Property Bonds rose in value by 11.0% (including the reinvested rental income net of tax). To achieve the same result a standard rate taxpayer would have required a gross income of 15.5% on his money.

In the same 12 months, investors continued to place an average of £2 million with us each month.

Which should enable us to move on to even bigger and better things.

Security The Abbey Property Bond Fund is the biggest and most successful in Britain. We have 26,000 policy holders with an investment of over £500 million.

Abbey Life itself, one of Britain's best known Life Assurance Companies, with assets exceeding £120 million, is a member of the £2,800 million ITT Group.



Charles Villiers: waiting for the verdict

## The all-computerised money maker

REAL MONEY - MAKERS are rare. But when Albert Gubay brought Kwik Save Discount to the market last December he may well have taken on the investment hopes of Sir Jack Cohen used to attract. Since 1961 sales have risen from £253,000 to £11 million, profits from £13,000 to £643,000 last year. For the year ending this August he has forecast profits of £900,000, and should do better than £1 million.

Kwik Save is now a chain of 29 discount stores where low prices, fast turnover and a ruthless attention to detail and efficiency have brought shoppers from all over Wales and Lancashire literally queuing at its doors. The method is basic. Stores are virtually small warehouses in which goods are sold direct from their outer cases. The number of lines (around 800) are limited to the top one or two brand names, with the shopgirls trained to memorise prices in just 25 price slots. Everything is geared to fast throughput. The tills, for example, come from Germany, and do multiple items at the press of a button rather than multiple pressings. The layout of the exits minimises the patient lines of waiting shoppers.

Stock control is entirely computerised. All that a manager needs to do is to list out the number of cases in each of his

## TIME TO BUY

### Kwik Save Discount

Buying price: 197p  
1977 high: 197p; low: 118p  
P/E ratio: 17.2  
Latest profit: £643,000

lines. The computer does the rest. Daily deliveries are serviced from a 133,000 sq ft central warehouse which, in fact, is capable of handling twice the £15 million turnover expected this year. With no pricing decisions to make, no layout problems to contend with, no ordering problems, the store managers do not need to be the highly trained staff other super-market chains are so frightened of losing.

Meat, fruit and vegetables are franchised out, but the fees are based on Kwik Save's own sales rather than their own. It minimises arguments and keeps the concessionaire on his toes. As a result, Kwik Save's labour costs are just 3% of turnover, which compares with Tesco's 8%. With a wastage rate less than a third that of the industry, and low prices which compete with wholesale cash and carry stores, Gubay can still produce

margins for the company of around 7%.

Meanwhile, a vigorous expansion policy is in hand, with around nine stores in the pipeline, and new stores opening at the rate of six a year. Gubay says that demand is so enormous that even at its rate of expansion he is just skimming the surface of the market. With £15 million in the bag for the year ending August 1977, he expects turnover to be up to around £22-23 million next year with pre-tax profits up from £1 million to around £1.1 million. The shares have risen strongly since they were launched last December, from 107p to 199p last week. On 1977's earnings, the P/E is 25, not obviously cheap. But like Tesco in its fast growing days, it will probably over be cheap. On Gubay's estimate for 1978, the multiple would fall to 16.1. I would back it strongly.

Aziz Khan-Panmi

How they make money on a £12m fund 42

# Now at £58,000,000, the Abbey Property Bond Fund is bigger than all the others put together. That's why we can give you a stake in the best properties around.

Property Bonds have now become a fully accepted and successful method of investment. None more so than Abbey Property Bonds.

So much so that, at the time of writing our fund stands at more than £58,000,000. With this behind us we can purchase, on favourable terms, large individual properties costing millions of pounds each. (As illustrated by Staple Hall and Stone House, London E.C.2, shown below, which are valued at £3,000,000 and £5,000,000 respectively.)

Most other funds just cannot afford such large transactions. Obviously, investment on such a scale brings rewards on the same scale, both in growth and security.

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Abbey Life itself, one of Britain's best known Life Assurance Companies, with assets exceeding £120 million, is a member of the £2,800 million ITT Group.

## Built-in Life Assurance

As long as you hold Abbey Property Bonds, which are single premium life assurance policies, your life is assured automatically, at no extra cost.

In the event of your death the amount payable to your family will be either the current value of your Bonds, or, the amount shown on the life cover table on the application form - whichever is the greater.

Naturally, if you've withdrawn money from the Fund, the amount of life cover will be correspondingly less.

6% p.a. Tax Free Provided you make a single investment of not less than £1,000 you may, if you wish, withdraw up to 6% of the value of your Bond each year - entirely free from Income Tax and Capital Gains Tax.

Provided total annual appreciation is not less than 6%, your Bond would retain its original value (calculated at the offered price of the Units).

The annualised growth rate achieved has in fact exceeded 6% since the Bonds were introduced.

Income Tax & Capital Gains Tax With Abbey Property Bonds you have no personal liability to Income Tax or Capital Gains Tax either while you hold them or when you cash them. The Company is liable to income tax on the rental income, at the special Life Assurance Company rate - currently 37.5%.

The Company also has the right to make deductions to cover its own Capital Gains Tax

liabilities, but this is not adjusted for in the Unit price. In present circumstances, it intends to limit this deduction to two-thirds the normal rate.

## Surtax

Surtax payers are liable to surtax (or higher rate tax after 1973) when they cash in or on death, depending on their surtax situation at the time of cashing in. There are a number of provisions which enable a surtax payer to reduce, and possibly eliminate, the liability and very high surtax payers should contact Abbey Life for precise details.

## Investment Policy

The Abbey Property Bond Fund is managed by the Property Division of Hambros Bank. It's invested in top industrial and commercial properties with really sound tenants. To name but a few - National Westminster Bank, Esso Chemicals, The Post Office, W. H. Smith, American Express, IPC and Boots.

Because the value of some types of properties were lower during 1970, some particularly attractive purchases with very good long-term growth prospects were made.

The Fund also buys sites and constructs its own buildings in conjunction with approved developers. Naturally, this is only undertaken with letting of the completed properties guaranteed in advance.

Up to 25% of the Fund can be applied in this way.

## Regular Valuations

Once a month a valuation of the Fund's properties is carried out by the Fund Managers and by Richard Ellis and Son, Chartered Surveyors, and an agreed valuation is supplied to Abbey Life.

Unit prices are published daily in leading national newspapers.

## Low Charges

To pay for life cover and management expenses, Abbey Life charges 5% - which is included in the offer price. Plus a small rounding-off price adjustment.

After that charges total only three-eighths per cent a year. All expenses of managing, maintaining, and valuing the properties as well as the cost of buying and selling the Fund's investment, are met by the Fund itself.

## Cashing in Your Bonds

You can normally cash in your Bonds at any time and receive the full bid value of the Units, subject only to any adjustment for Capital Gains Tax, as described earlier.

In exceptional circumstances the Company retains the right to defer payment for up to six months pending realisation of properties. However, the Company maintains adequate liquid resources, similar to that of building societies, so in normal circumstances there should be no delay in cashing in.

## Disclosure of Information

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the properties. And full financial information to let you see exactly how your money is invested.

As a new Bondholder you'll receive a current Annual Report with your Bonds.

## How to Invest

Fill in and post off the completed application form, together with your cheque.

As soon as it's accepted, you receive your Bonds which show the number of Units you've been allocated in the Abbey Property Bond Fund.



**Abbey Property Bonds**  
With so much behind us, it's no wonder we're ahead.

To: Abbey Life Assurance Company Limited, Abbey Life House, 1-3 St. Paul's Churchyard, London, EC4M 8AR Tel: 01-248 9111

I wish to invest £ in Abbey Property Bonds (any amount from £100) and I enclose a cheque for this amount payable to Abbey Life Assurance Company Limited.

Surname (Mr./Mrs./Miss) \_\_\_\_\_  
Full First Names \_\_\_\_\_  
Address \_\_\_\_\_  
Occupation \_\_\_\_\_ Date of Birth \_\_\_\_\_  
Are you in good physical and mental health and free from the effects of any previous illness or accident? \_\_\_\_\_  
If not, please give details \_\_\_\_\_  
Do you already hold Abbey Property Bonds or Abbey Equity Bonds or another Abbey Life Policy? \_\_\_\_\_  
Tick here for 6% Withdrawal Plan (minimum single investment £1,000) ☐

**★ Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.18. Offer closes on Tuesday August 24.**

Age when buying Abbey Property Bonds	Life Cover per £100 invested
Under 30	£250
30-34	£220
35-39	£190
40-44	£160
45-49	£130
50-54	£120
55-59	£110
60-64	£105
65-69	£100

Signature \_\_\_\_\_ Date \_\_\_\_\_  
PB STBN SUN 5 0

Commission of 1% will be paid on any Application before the close of a Bank, Insurance Broker, Stockbroker, Accountant or Solicitor. This commission is based on the value of the investment. The application and life cover come into force only upon acceptance by the Company, and the life cover may be terminated.

## WOODHOUSE & RIXSON (HOLDINGS) LIMITED

(Issued Share Capital £431,250)  
Manufacturers of Steel Forgings, Rolled Steel Rings, Trailers and Trailer Components

INTERIM STATEMENT  
For the Half-Year ended 30th July, 1977.  
Directors have pleasure in announcing the following Group and the above half-year (subject to audit):—

	Half Year to 31/7/77	Half Year to 4/7/77	Year to 2/1/77
Profit before taxation	£168,606	£117,129	£279,189*
Less: Taxation	£14,987	£18,238	£48,377
Profit after taxation	£153,619	£98,893	£230,812
Less: Dividend	£36,600	£43,000	£103,941
Profit after dividend	£117,019	£55,893	£126,871
Less: Reserve	£23,873 (6%)	£20,000 (5%)	£83,126 (15%)

\* Including seven months Niagara Forge (Sheffield) Ltd.  
Interim Dividend is payable 11th October, 1977.  
Shareholders on the Register at the close of business 30th July, 1977.

Staple Hall and Stone House two of the eight major properties in the Abbey Property Bond Fund with an aggregate value of £23,000,000.



## General Appointments • Accountancy &amp; Finance Appointments



## PA Management Consultants Ltd

Personnel Services Division - Hyde Park House - Knightsbridge - London SW1X 7LE

The identity of bona fides will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief details, quoting the reference number to the above address or write for an application form, and advise us if you have recently been in an employment situation.

## Managing Director

Yarn Spinning

£5,000

## Marketing Manager

Up to £6,000

## Technical Director

Trade Moulding

## Head of Development

Pharmaceutical Formulation

## Product Manager

Cosmetics

£3,750

An attractive opportunity exists for a marketing oriented executive with yarn spinning experience to assume complete responsibility for the profitable operation of a medium sized modern spinning mill. The mill, established some years ago to produce fancy worsted yarns, is part of a large diversified group and enjoys a high reputation for quality. It employs a mixed labour force of approximately 100. The Managing Director, who will report to a non-executive board, will have a free hand in securing the future growth of the venture. Applicants, who must have extensive spinning experience, will show evidence of achievement at senior executive level, particularly in marketing. A salary in excess of £5,000 p.a. is envisaged, plus unusually attractive fringe benefits including car, and profit participation. (Ref: GM39/4294/ST)

One of Britain's leading companies in the holiday and leisure industry is creating the post of Marketing Manager. Reporting directly to the Chairman, he will be responsible for advertising, public relations, the internal agency network and marketing research. He will also contribute significantly to company strategy in the areas of sales forecasting, pricing and new service development. Candidates, aged 35 to 45, should have considerable experience and success in the marketing of products or services with a mass consumer appeal and must be accustomed to allocating substantial advertising appropriations. Starting salary will be negotiated up to £6,000 and a car is provided. Advancement to the Board is anticipated in one to two years. Location Central London. (Ref: SM34/4295/ST)

A well-established and very profitable company employing 200 produces compression and injection mouldings as components for a diverse range of industries. It is noted for its high quality precision work and efficient customer service. The Director now required will be responsible for controlling and developing all aspects of manufacturing. His responsibilities will include production engineering, production control, purchasing and quality control. In addition the commercially vital estimating function reports to him. He will report to the Managing Director and as a member of the Board he will play his part in formulating company policy. Candidates, aged 35-45, should be qualified engineers with several years' plastics production management experience of injection and compression made moulding. Location is west of London. Salary is negotiable around £4,500 plus car. (Ref: TE38/4296/ST)

The company ranks high in the list of international pharmaceutical companies both for size and good reputation. Recent changes have created a vacancy for a Head of Pharmaceutical Formulation who will be responsible for a young and enthusiastic research team covering formulations, biological testing and process development. Candidates must be pharmacists with a good honours degree—a Ph.D. is an added advantage—who have wide experience in the development of pharmaceutical formulations in industry. They will have already managed a similar Research and Development function and have a good knowledge of modern production processes. The man appointed must have a strong personality since it is intended that he should be a contender for promotion in the foreseeable future. For this reason also the right age range is probably 35-45. An initial salary will probably be negotiated between £4,000 and £4,500; for the outstanding candidate it could be well in excess of this range. (Ref: GM27/3213/ST)

A woman is required to organise new product planning, packaging development, advertising and market research for cosmetics and beauty products. The post is in the international division of one of the major cosmetics manufacturers. A key role will be to lead the team in the development of new products and to coordinate the company's international requirements. Candidates will probably be in their twenties or thirties with several years multi-product marketing experience in a sophisticated marketing operation with fast moving consumer goods. The post is based in central London, there will be some overseas travel, and the initial salary is negotiable up to £3,750. As there is some urgency in making this appointment interested candidates should telephone 01-235 6060 for an application form. (Ref: W30/4296/ST)

## Tests not perfect—but interviews are worse

AS MEMBERS of a research unit working in the selection and training field, we are concerned to read Thomas Hickman's leading article on the use of personality tests in selection. The apparent inconsistencies which he reports stem largely from his failure to understand the principles underlying the use of tests for this purpose.

Many of the criticisms levelled at the use of tests would be justified if selectors attempted intuitively to predict an individual's success in a job from his test scores. However, in our experience, almost all organisations who administer tests to job candidates do so solely in the hope of discovering a useful statistical relationship between test scores and subsequent job performance. (Hence the desirability of hiring those who fail a test as well as those who pass.)

Unless a statistically significant relationship is demonstrated to exist between scores on a particular test and success in a particular kind of job, the test concerned can offer no objective basis for selection decisions. This point is stressed in every elementary text book of applied psychology, and we find that professionals in the selection field regard it as an article of faith.

At the same time, it must be conceded that significant correlations have rarely been found where personality test scores are concerned, and this is the reason for the refusal of the National Institute for Industrial Psychology to accept them as useful in selection at present. This does not mean that personality tests cannot prove useful at all.

If a test has been systematically validated with respect to a particular job, and is administered in a consistent manner, the only criticism which can justifiably be made of its use in selection is that it may constitute an invasion of privacy. But invasion of privacy is a sine qua non of the selection process. If it is accepted that selection is necessary, then the assessment of individual differences is unavoidable.

Thomas Hickman's inquiry into personality tests in the *Get Ahead* series, and his subsequent article on how job candidates can beat the tests, have produced a brisk correspondence from academics, management consultants, company personnel chiefs and others. Here we print some of their comments.

The alternative is the unhappiness and inefficiency which result from people being placed in jobs to which they are unsuited.

We would argue that a more appropriate target for Mr Hickman would be those organisations which are not concerned to seek improvements upon traditional selection techniques, such as the interview, repeatedly demonstrated to be lacking in both reliability and validity.

C K Elliott, G A Randall, M D Still, D Taylor, M Whitelaw, University of Bradford

## Why bother?

THOMAS HICKMAN has exposed many of the weaknesses of using psychological tests for employment and promotion. The main objection, however, is that there is a perfectly valid, ethical and easily taught alternative.

The Boris Gussman Associates believe, and our experience over a number of years has borne this out, that what a man is and how he is going to behave in the future, is revealed with a high degree of certainty by what he has done and what he has been in the past. The skilled interviewer can establish all this and more.

Once the interviewee realises that he is engaged in an interest-



ing conversation and not being subjected to an interrogation the problem is to get him to stop his revelations. Carefully guided through his various past experiences and attitudes he will reveal as much information as any reasonable employer has a right to know.

The interpretation of this material requires the same high degree of skill as does the conduct of the interview itself.

Boris Gussman, Managing Partner, The Boris Gussman Associates, SW1

## Test secrecy

From the Appointments Manager, Standard Telephone and Cable, Ltd.

MR HICKMAN is misleadingly brief in one of his statements about STC's use of tests, and incorrect on another point.

He says that STC makes the results of its tests available to managers outside its personnel department, and that the National Institute for Industrial Psychology deplores this practice. It is in fact STC's practice to tell candidates, in private, about their own test results—so that they can comment on them, or indicate where they disagree with the conclusions. No one else outside STC has access to the test scores.

The personnel departments do, of course, discuss candidates' test results with the line

managers in whose departments the vacancies exist. He could test results affect decisions? I understand that NIP that they do not this practice, provided the managers concerned with the test procedures. In STC's understanding is an element of management technique. His attack on our selective techniques such as Rorschach is undeserved, explained to me, we use an objective version of this test. I am left with a question. Mr Hickman is against the use of bad practice matching people to jobs. But which of the remaining natives is he advocating, good ones, or no procedures at all? John D. Ha

## Not bingo

MR HICKMAN's approach to suggest that getting a some form of bingo. This is not the case with re-employers or responsible dates. If a man disor-

information that he gives company he is harming as much as the employer.

Getting into a job by form of deception is not advantage of the man. After he has got through stage he has then to try results when actually per-

the job. If his skills, per- and experience are wrong likely to find himself out again within a short period. In both his articles Mr B seems to assume that he inventories are given in is. In practice, this is not the any responsible selector's personality inventories as a broad selection process. Occupational psychologists scarcely naive about the personality inventories and their limitations.

(Dr) J. Loo

## How an informal discussion can extend an accountant's perspective.

... important dates to be noted by Chartered and Certified Accountants—especially experienced audit seniors.

C. J. Daintree, Price Waterhouse & Co. (Continental Europe), will be hoping then to talk to you about broadening your career outlook in one of the major European cities.

This is one of the best ways to get a realistic insight into the excellent opportunities abroad, and the advantages to your career which European experience can bring.

If the time and place are not convenient, write to C. J. Daintree, 47 Avenue de l'Opéra, 75 Paris 2e.

**Memo 9.00am to 7.00pm**

LEEDS August 16 Golden Lion Hotel

MANCHESTER August 17 13/79 King Street (Interviewing only until 6.00pm)

LONDON August 18-20 Great Western Hotel, Paddington

NOTTINGHAM September 1 Victoria Hotel

BIRMINGHAM September 2 Midland Hotel

BRISTOL September 3 Unicorn Motor Hotel

## ACCOUNTANT

Our modern factory at Basildon is engaged in a variety of activities mainly ancillary to the company's business of photographic manufacture.

We need a young qualified Cost and Works Accountant of mature personality preferably with industrial experience to take over all responsibility for a wide range of activities from financial investigation to cost reporting. As a member of our senior management team he will report to the Works Manager and control a staff of 20, in the cost, wages, bonus and purchasing offices.

This is a key appointment combining the opportunity of gaining valuable experience in a sophisticated management environment with the prospect of developing your career in a major international group.

Competitive salary will be negotiated and fringe benefits include contributory pension, free life assurance and sickness schemes, together with relocation assistance where appropriate. Please write, quoting reference SA/72, and giving details of age, qualifications and experience to: The Personnel Manager, Ilford Limited, Christopher Martin Road, Basildon, Essex.

Ilford Limited is a CIBA-GEIGY Company.



## ACCOUNTANT for MIDDLE EAST

A large British oil company operating in a number of countries in the Middle East offers interesting job, to qualified accountants in its overseas areas of operations.

Vacancies exist in the financial and Management Accounting fields and in the responsibilities would relate to general accounting or budgeting and costing or in audit work. Opportunities exist for advancement senior positions not necessarily confined to a particular country or to the finance function.

Candidates, aged 28-35, should hold a University I and a recognised qualification in Accountancy. A minimum of 3 years' professional or industrial experience desirable.

Terms and conditions are excellent; local remuneration being commensurate with qualifications and experience but not less than £415 per month (net of local approximately 7 weeks' annual leave with paid pay contributory Pension Fund; assistance with education. Married or bachelor accommodation on moderate rental.

Write, giving full details of age, qualifications, experience, to Box No. ST3969 c/o Charles I Recruitment Ltd., 20 Cannon St., London, E.C.4.

## Management Accountants—L

The Printing Machinery and Supplies Group Vickers (an autonomous Group of subsidiary companies) have vacancies for Accountants at several levels in their commercial hierarchy.

The activities of the Group range from industrial consumables through conventional batch printing to large construction projects on newsprint presses. Opportunities exist in both line and staff capacities so that it is extremely likely that you can find a vacancy to suit your individual qualifications and interests.

There are no upper or lower age limits applicants; salaries will be competitive according to experience and responsibilities, and conditions of employment are what one would expect of one of the country's largest industrial groups.

Please send full details of career to date to: A. W. Woodthorpe, A.C.W.A., F.A.C.C.A., Commercial Director, Vickers Ltd. Printing Machinery & Supplies Group, Water Lane, Leeds, LS11 5TN.

## GROUP ACCOUNTANT

received in South London an accounting group or company engaged in travel and freight business. The successful candidate will be responsible for a major accounting department. A knowledge of punched card and/or computerised accounting systems is desirable. Starting salary is £2,000 p.a. plus company car, bonus, pension scheme, etc. Please apply in writing to: A. R. Hughes, Waterford Finance Ltd., 22, Newmarket, London, EC1V 2JF.



JOIN THE GROWING WORLD OF GULF

## FINANCIAL ANALYST SPAIN

Gulf Oil is one of the world's largest integrated energy Companies and has an impressive record of expansion in Europe in the last decade.

We are now seeking a Financial Analyst for Iberian Gulf Company at the administrative headquarters in Madrid which services Gulf's activities in Spain. These activities include two refineries, a fertilizer plant as well as a marketing company and other subsidiaries.

The Financial Analysts Section is involved in the monitoring and analysis of both associated and wholly owned companies. Capital and Profit Plan Budgets, the economic evaluation of new capital projects and subsequent analysis of performance, and the maintenance of control procedures are all the specific responsibilities of this Section.

Applicants should be graduates aged 24-30 with either a postgraduate qualification in business studies or chartered accountancy. If a chartered accountant, the applicant should have had some experience in investigations or other areas of financial analysis. A knowledge of Spanish would be desirable but not essential. It is anticipated that the initial appointment would be for a period of about two years. Opportunities would then occur for transfer within the Gulf Organisation.

Salary will be in excess of £3,000 plus appropriate foreign allowances.

Please write in the first instance to:

C. M. Bloodworth, Appointments Supervisor, GULF OIL COMPANY—Eastern Hemisphere, 2 Portman Street, London W1H 0AN.



## FINANCIAL CONTROLLER

—up to £4,500 p.a.

This is a new appointment for a major commercial organisation situated in the North West. The Company, part of a major Public Group, has a multi-million pound turnover. Re-organisation of the management structure has led to this important and challenging opportunity. Initial salary will be up to £4,500 p.a. plus company car.

The Financial Controller will be responsible to the Joint Managing Director (Finance) for the control and co-ordination of all accountancy activities (financial, budgetary and cost). He will produce management information and take positive steps to investigate and take action where required. As part of the management team he will be expected to contribute to the growth of the Company.

It is essential to be qualified (C.A., C.W.A., C.I.S.) and to have had financial management experience in a large complex commercial operation. He must have the ability to lead a team, work to schedule and be able to analyse and guide management on financial and cost matters. A knowledge of computer techniques would be desirable. Preferred age: 30-35.

Nothing will be disclosed to our client without permission from candidates. Please write, quoting Reference Number 4890 to:

Ashley Associates Ltd, PETER HOUSE, MANCHESTER M1 5BB and at 46 St James's Place, London S.W.1.



## GOVERNMENT OF NORTHERN IRELAND INDUSTRIAL ACCOUNTANCY

CHARTERED OR CERTIFIED ACCOUNTANTS

are invited to apply for permanent and pensionable posts in the Ministry of Commerce.

Duties will be mainly connected with applications to the Ministry for Grants and Loans.

The posts are:

## INDUSTRIAL ACCOUNTANT

£3,258-£3,873 (The recent Civil Service pay increase has still to be applied to this scale.) AGE under 45.

EXPERIENCE in examining the affairs of companies and in financial reporting is essential. Experience in company liquidation would be a decided advantage.

## ASSISTANT INDUSTRIAL ACCOUNTANTS

£1,982-£3,099 (The recent Civil Service pay increase has still to be applied to this scale.) AGE 26-35.

EXPERIENCE in examining the affairs of companies and in financial reporting is necessary.

Application forms, available from the Secretary, Civil Service Commission, Clarendon House, Adelaide Street, Belfast BT2 8ND (Tel. 27963 Ext. 26) should be returned by 31st August, 1971.

Please quote SB139/71/46.

## TRAVELLING AUDITORS

Qualified accountants aged 27 or over are invited to apply for positions on the internal audit staff of a large American corporation. The positions call for very extensive world-wide travel and are only suitable for single men.

The commanding salary is £2,750 a year and satisfactory performance will earn substantial annual increases.

First class travel and living expenses, annual home leave, retirement and other fringe benefits are provided.

Applications in own handwriting stating age, whether single, qualifications, experience and present salary, should be addressed to: Box AP671, Sunday Times.

## Manager - Operations

Banking £4,500+

The successful candidate should offer sound accounting experience which should have been acquired in the field of international banking. In addition he should be able to demonstrate familiarity with all aspects of international bank operations including foreign exchange and be capable of managing and controlling staff.

Interested candidates are invited to write for a personal history form to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD, quoting reference MCS/1533.

## Divisional and Assistant Accountants

Divisional accountants are required to be based in the Midlands and London. Suitable candidates will be qualified accountants with industrial experience preferably in the engineering or manufacturing industry. These appointments will involve some travel and some time away from home. Salary is negotiable but will be of interest to candidates starting up to £3,000 per annum. Junior accountants, who will be qualified but with less experience, are required for positions in support of divisional accountants. All positions offer excellent opportunities to be fully involved in the continuous development of our management information service.

Brief details and requests for an application form should be sent to:

G. A. Bacon, Personnel Officer, Thomas Construction Limited, Kettlewell, Wetherhampton.



Box No. replies should be addressed to THE SUNDAY TIMES, Thomson House, 200 Gray's Inn Road, London, WC1, unless otherwise stated. No original testimonials, references or money should be enclosed.

The Bank of California NA, San Francisco is establishing a branch in the City of London, and wishes to recruit a Manager - Operations. He will report to the Branch Manager and be responsible for administering the day to day operations of the branch.

The successful candidate should offer sound accounting experience which should have been acquired in the field of international banking. In addition he should be able to demonstrate familiarity with all aspects of international bank operations including foreign exchange and be capable of managing and controlling staff.

Interested candidates are invited to write for a personal history form to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD, quoting reference MCS/1533.

## ACCOUNTANT

Qualified or semi-qualified, based at a new head office near Hitchin, Hertfordshire.

Turnover currently exceeds £200,000 per annum in a rapidly expanding marketing orientated company, with plants in U.S.A., Canada, Australia and Europe.

Main functions of the position will be the overall responsibility for accounts, salaries, costing and the production of management reports and monthly accounts, reporting directly to the Managing Director.

The suitable candidate will probably be between 25-35, with professional office experience as well as industrial expertise. A salary of £2,250 will be offered, together with the usual company fringe benefits.

Relocation expenses will be met.

Please apply in writing, giving details of qualifications and experience, to:

A. G. Usher, Recruitment and Training Officer, Graham's (Secroft) Limited, Ring Road, Secroft, Leeds, LS14 1LV.

A MEMBER OF THE Schlegel GROUP OF COMPANIES

## BOARD ROOM CATERING

A major company, shortly moving its Head Office to new City premises, wishes to engage a Catering team of Corbin blue coat, Black and White to accept full responsibility for the provision of up to 40 lunches a day (Monday to Friday) from a newly-acquired modern kitchen in two adjacent dining rooms.

Applications are invited only from those who are able to offer the highest standards of cooking and service. Catering Contractors need not apply.

The full team will be required early in 1972; the Employer could start immediately to serve a smaller number of lunches supplied by Caterers to the Board Room at the present office.

Apply, with full details of previous experience to:

Box No. K446, WALTER JUDD LIMITED, (Incorporated Practitioners in Advertising), 15 Bow Lane, LONDON, E.C.4.



ER GRAIN harvest in the Balkans threatens to still further the expense common agricultural which last year cost over 100 million francs. The Commission in keeping up incomes inside the Six, the statistical office estimates that total grain will shoot up by 3 million 300,000 tons to over 70 million tons, all the increase has to be absorbed by France. French wheat is expected to be over 12 million tons, 12% up on last year's crop. Almost half of the 32 million tons expected to be produced by the Community, the big landowners in France, who have become the farmers in Europe, the reduction is unqualified. But the crop is to pose a big problem for the Community. The price of cereals is high enough to protect the farmers even the most intransigent. The Commission to buy grain if the price is guaranteed level of 60% above the world price. The Commission puts a margin grain imports. The price is rising faster than capacity to eat it. Earlier this year, the Commission, all major farm products it is likely that more will be decided on in this year or early in next year this the amount is a saving of wheat in the Community. The price of this policy have fallen sharply. Before the war was estimated that the price of wheat in 1950 would go up this year to 1950 from £280 million next year it would soar to £350 million. The Commission can sell the grain or it can sell it on the market at subsidised levels. Merchants have no storage space all over even crossing over Slovakia where there are no disused churches and monasteries. The memory of the huge famine which built up 50,000 tons at its peak, is Commission officials, whose expense they have incurred in melting the grain into selling it on the world at no price, only they have no wish the same situation with the other option would be to dump wheat on the market, but this would create a selling difficulty. In the American market, the grain has been locked out of the European market.

# Why 35 men died on the Yarra Bridge



**Sir Ralph Freeman (left) and Dr O. Keransky, the censured senior partners of Freeman Fox**

## £700 million in the black

### Miss R Ganson

MISS R. GANSON of Upper Clyde Shipbuilders, Clydebank Division, asks us to make clear that she was not responsible for a remark attributed to the managing director's secretary in our report on UCS on August 1. It was in fact made by another member of the staff.

His firm's normal working agreement was that virtually all responsibility during construction should rest with the contractor. But the contract was just being switched to John Holland Construction, and Holland's expertise, however, lay more with concrete than steel and the company refused to take responsibility for engineering decisions. Hindshaw was bewildered to find himself with unexpected responsibility and his bewilderment showed in his communication with his clients. He decided the safest thing to do was to insist on Holland following in exact detail the rule book drawn up for the construction

The problems didn't appear to lead to any serious reconsideration of the construction methods which should be used on the West side. As it was, World Services and Constructions, the original contractors, had opted for the most complicated way possible. They were joining the boxes together on the ground to form two long sections, which they then hoisted into the air and joined together to complete the span. But World Services was worried that the boxes would be too hot for the men to handle, and temperatures when they were on the ground from when they were in the air. So it introduced a series of hydraulic jacks connected to a

The Holland men quickly came up with a solution. There just happened to be 10 concrete blocks, each weighing eight tons, on the site from a previous job, and it was suggested that if they were placed on top of one section they would force it down in line with the other.

Hindshaw decided the best solution was again to remove a series of bolts, taking them out six or eight at a time and chocking the reaction before removing more. The idea was to alter the stresses in the structure and so straighten out the buckle. But the Commission says a rudimentary assessment by anyone

Hindshaw replaced the telephone and went straight back on to the bridge. Seconds later, span 10-11 collapsed. Hindshaw suffered multiple injuries and died in hospital that afternoon.

### Miss R Ganson

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If you are interested in an S.I.P. Plan just complete the coupon and post it to us. We will send you all the information you need.

## SAVE AND PROSPER DRUG

To all Sharehol

**AUTOMATIONS  
INTERNATIONAL  
(UK) LTD., ST-15/8**  
11 Bath Road, Heathrow, Hounslow,  
Middlesex, Tel: 01-759 9441  
A member of Electrical and Industrial Services  
Organisation.

we are maintaining our share of the market and are applying economies and tighter controls. With the discontinuance of certain unprofitable activities and with the economies effected we can look forward to reduced losses and increased profits in certain branches and subsidiaries resulting in overall increases in profitability in the future.

PROPERTY CO. LIMITED (A.I.P.)  
 TO:—

\_\_\_\_\_

its Limited has considered all statements of fact individually and collectively, responsibility therefor.

\_\_\_\_\_



**AIC EXECUTIVE SELECTION DIVISION**

**MANAGING DIRECTOR**  
for a progressive manufacturing Company producing process equipment and machinery for the process industry. The Company is currently profitable and intends to remain so. The Managing Director will take over a newly structured management team and will be wholly responsible to the Chairman for the overall direction of the Company's sales, marketing, production and engineering activities. He will be totally accountable for the Company's continuing growth and profitability. Candidates, preferably with an engineering background gained in a process machinery manufacturing environment, must have successful line management experience either as General Manager or Commercial Manager. They must be profit orientated. Salary on negotiation.  
Reference: 30672 TSIR. E. Wheeler

**COMMERCIAL DIRECTOR (M.D. Designate)**  
for a well known manufacturing and marketing Company producing specialist electro-mechanical and electronic equipment for the home and export markets. As Commercial Director he will have executive responsibility for the profitable marketing of the Company's major product divisions. As prospective M.D. (Designate) he will have functional responsibility under the M.O. for the preparation of the Company's profit plan, the optimum utilisation of the Company's resources, and the containment of costs within budgets. Candidates must have had Commercial management experience in a profit orientated engineering environment, and be capable of understanding and successfully co-ordinating the differing viewpoints of engineers, production management, accountants and sales staff. Age 35-45. Salary by negotiation.  
Reference: 30672 TSIR. E. Wheeler

**AIC**

## Computer Operations Manager

Wheatheaf Distribution and Trading Limited is seeking a Computer Operations Manager for its IBM 704 and 7090 at Coventry. The computer system, which is also used by other companies in the Group, is engaged in all aspects of food distribution for 144 hours per week on a shift system.

The successful applicant will be responsible for the efficient operation of the installation, ensuring the schedules are met and accurate output produced. He will be an integral part of the team, liaising with his opposite numbers on systems and programming, to ensure an overall smooth system.

He must accept a deep company involvement in the operation of existing and new systems, aimed at their overall efficiency. The age range for this position is persons currently earning less than £2,250 are unlikely to meet the requirements.

The appointment is part of a restructuring programme in preparation for envisaged expansion.

Assistance towards education will be paid and an excellent pension scheme exists.

Applications, with CV, please when application form and job specification will be sent to:

G. Langdon, Group Systems Manager,

Wheatheaf Computer Centre,

466 Charter Avenue, Coventry, CV4 8AD

## Group Financial Accountant

to be a senior member of a small team at the Head Office in London of a major marketing orientated company with world wide interests in the chemical field.

• RESPONSIBILITY to the Financial Director and includes consolidations, collation and analysis of subsidiary accounts and taxation matters. The financial appraisal of operations generally and an eye to continual improvement of financial systems and information are important aspects of the role, as are an appreciation of banking and exchange control practices.

• THE requirement is for a Chartered Accountant, with experience of financial accounting for a substantial business, and the personality to deal effectively with top management.

• AGE probably over 35. Salary about £6,000, car provided.

Write in complete confidence

to A. Longland as adviser to the company.

**JOHN TYZACK & PARTNERS**  
LIMITED  
10 HALLAM STREET, LONDON W1N 6DJ

We're looking for a Retail Procedures Controller who's probably just mislaid...

## Mister Right

is 25 to 30 and ready for a big, beautiful complex creative organisation like ours. We're a fast-moving international fashion chain, with 54 branches in the United Kingdom alone.

As one of a crack team of procedures controllers, based at our Marble Arch Head Office, you'd form part of a many-headed Retail Operations Department handing out administrative advice and assistance in all directions. And co-ordinating the opening of new branches. We'd ask you to do some travelling.

Have you the precision, the energy to cope? And have you the qualifications? (Two 'A' levels. Perhaps an H.N.D. in Business Studies. And two or three years of office experience, using modern techniques and equipment). Life at C & A is extremely pleasant - and well-fortified with four weeks of holiday and a handsome non-contributory pension scheme.

Write for an application form to:

Miss S. Z. Steele,  
C & A Modes,  
North Row,  
London, W1A 2AX.



## Leslie Coulthard Management

Brettenham House, 14 Lancaster Place, London WC2 Telephone 01-240 1605  
Personnel and Management Consultants

Unless otherwise stated all replies, quoting the reference, will be handled in confidence by a consultant.

## Engineering Manager Petro-chemicals £8,000

An international chemical company with an outstanding growth and success record is to appoint an Engineering Manager. This is a new appointment reflecting the importance which the Board is giving to this essential function. The company produces its own wide range of products and also designs and develops special manufacturing plant. Alternatively the department will build complete projects for customers, providing a comprehensive service covering design to commissioning. The Engineering Division, with 2-300 qualified engineers, has departments covering all aspects of design, process, estimating, project control, construction and commissioning and the Manager has profit responsibility for contracts totalling up to £20 million per annum. Candidates with relevant professional qualifications, aged up to 51, should come from the chemical industry and will be with either a major contractor or large manufacturer holding a senior position with responsibilities on a similar scale. He will combine substantial administrative, financial and engineering experience at varied locations in the UK and overseas. The appointment is based in the South of England and a salary will be negotiated in the order of £8,000 with a company car and excellent fringe benefits.

Ref: EM/329/ST

## Personal Assistant to Chairman £5,000+

The Chairman of one of Britain's most successful commercial groups with an international business covering five continents runs the whole operation from London with a small executive committee. He has decided to recruit a Personal Assistant who will have three main tasks: to investigate situations, to prepare briefs and recommendations for the Committee and to monitor executive action. As a staff man he will have no executive authority but the job will provide opportunities to develop before moving into line management in 3-5 years. Candidates should be graduates—Chartered Accountants, Lawyers or MBAs. Obviously international commercial experience would be an advantage.

Ref: PA/327/ST

## Financial Controller Winter Sports France. £4-5,000

A large British publicly owned company is investing a considerable sum in an imaginative winter sports development in France. The developed site will contain a number of private chalets, modern hotels, ski lifts and comprehensive resort amenities. The resident Financial Controller and his staff will provide financial and accountancy services. He must be reasonably fluent in French. Senior hotel management experience is essential and European experience would be advantageous. The remuneration will be negotiable in the £4-5,000 bracket with accommodation provided. Local educational facilities are such that candidates with young children would have problems.

Ref: FC/328/ST

## Marketing Packaged Consumer Goods £3-7,500+ car

A major international group with a number of subsidiary interests in Food and associated products requires a small number of talented professional marketing men to pursue its expansion plans. Various positions will need to be filled over the next few months for Marketing Managers, Group Brand and Brand Managers. Candidates should be in the age range 26-36 with a comprehensive working knowledge of all aspects of consumer goods marketing, including product development and new product launches. Men currently with leading companies in Food, Drinks, Toiletries, Proprietary or Household Goods are particularly welcome. Previous experience with the retail side of marketing, agencies or overseas would also be of interest.

Ref: MP/331/ST

## Management Opportunities for MINING ENGINEERS

...with Roan Consolidated Mines Limited in Zambia. We are one of the world's major copper producers with an annual production capacity of 300,000 tons. Expansion plans are now under way at our properties on the Copperbelt which offer experienced mining engineers and technologists real opportunities for advancement to senior positions. We now need men in the following functions:

### MINE MANAGEMENT £3500 to £4400

To supervise a variety of operations including production and planning at the mines. Applicants must have a degree or H.N.C. in mining engineering plus at least 2 years' supervisory experience of underground or open cast operations.

### MINE VENTILATION £3000 to £4000

To plan and implement ventilation and dust control layouts. We need qualified men who have at least 2 years' ventilation experience in the mining industry.

### MINE SURVEY £3000 to £4000

To provide survey data for underground roadways and other mining operations. Applicants should have a recognised surveying qualification plus at least 2 years' surveying experience, preferably in underground work.

These openings are at various levels and starting salaries will depend on experience, qualifications and the degree of responsibility involved. Total earnings, which will include basic salary, bonus and gratuity will be within the ranges quoted. Employment is on a renewable contract basis, initially for a period of 3 or 4 years. Additional benefits include low rental housing, return passages, children's educational allowances and generous paid holidays.

Please write quoting reference SA.105 for application form and information booklet to

The Manager,  
Overseas Appointments,  
RST International Metals Limited,  
One Noble Street, London, EC2V 7DA.



## Seismic Data Processing

Due to continued expansion in our exploration services we require a limited number of experienced

### DATA PROCESSING SEISMOLOGISTS

The men or women we are looking for will be based in Croydon initially, but opportunities for overseas assignments may arise later. Salary is negotiable and will be commensurate with experience. Write, giving brief history of experience and present salary to Personnel Manager.

Geophysical Service International Ltd  
Canterbury House, Sydenham Road,  
Croydon CR9 2LS.

### GEOPHYSICAL SERVICE

## YOU CANNOT JOIN THIS COMPANY!

Men who have a history of success in the fields of **PROPERTY CONTRACTS** (lease, purchase) and/or **INSURANCE** will be interested to know that we offer top commission, numerous fringe benefits and an ever-growing range of the best products on the market, plus a fantastic growth record.

You cannot join J.C.S. in the accepted sense, but you can own part of J.C.S. by using your ability.

Interested? Write giving full particulars to the Personnel Director, Investors' Capital Services (UK) Limited, Tinsell Hall Market Drayton, Shropshire.

INTERNATIONAL LIMITED

## Western Regional Committee for Postgraduate Medical Education (Scotland)

### Adviser in General Practice

Applications are invited from General Practitioners for the above new post. The appointment will be on a half-time basis initially but may require a greater proportion of time later. It might be possible to find a suitable partnership for a doctor who does not practise locally. The successful applicant will act as the executive officer of the General Practitioner Sub-Committee and will also assist the principal officer of the Regional Committee, who is the Dean of Postgraduate Medicine of the University of Glasgow. The Adviser will be accommodated in the Medical Faculty Office and will be given an appropriate honorary University grading.

The salary will be calculated at a rate pro-rata to the maximum of the Consultant salary scale, viz. £6,330 per annum.

Applications including the names and addresses of three referees, should be submitted to the undersigned, from whom further particulars may be obtained, not later than 15th September, 1971.

C. M. FLEMING,  
Dean of Postgraduate Medicine,  
University of Glasgow,

Western Regional Hospital Board,  
351 Sauchiehall Street, Glasgow, G2.  
Tel.: 041-332 2977.



## PA ADVERTISING

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## Naval Architect

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## Project Engineer Chemical Production Plant Southern England

A well-known manufacturer of chemical and pharmaceutical products wants a man to be responsible to the Chief Engineer for the design, development and installation of production plant.

The man appointed will have a degree or H.N.C. background in either Mechanical or Chemical Engineering, with experience of design, commissioning or project engineering in the chemical process or plant manufacturing industries. REWARD: Starting salary negotiable c. £2,500 with contributory pension, life assurance and relocation assistance.

Apply in confidence. Ref.: 100/249.

## Hales & Hindmarsh

Associates Ltd.,  
Century House, 30/31 Jewry Street,  
Winchester, Hants.  
Telephone Winchester 66699

## 'The Midland Bank offered security and the chance to get ahead. Not many jobs do that.'

Bob Vineer joined us straight from school, when he was 18. "I'd just taken 'A' levels", he says, "I wanted a job that offered security and the chance to get ahead, so I chose the Midland."

"My work there began as a junior clerk, you know, generally leaving the business. But after four months, I moved onto higher things—as a cashier. "After a while at that, 18 months or so, I did a spell on control work. "Now, at 21, I'm doing junior foreign and securities work at Acton Branch."

"What do I like about my job? Oh, the variety, meeting people—the money's good as well."

"My prospects? I hope to be in management within ten years, but that depends on me."

Bob Vineer has talked to you. Why not come and talk to us? Fill in the coupon below.



To: Staff Manager, Midland Bank Ltd., Poultry, EC2P 2BX  
I'd like to know more about a career with the Midland Bank in and around London.  
I have/expect to get 'O' levels, 'A' levels.  
At present I'm at school/working full time and have experience in

\*I am under 21 without banking experience. \*I am over 21, but under 25 with banking experience.  
Please indicate in which area of London you would prefer to work \*Outskirts/Suburbs/ West End/City. \*delete where not applicable

Mr. \_\_\_\_\_ Age \_\_\_\_\_

Address \_\_\_\_\_



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## AN IMPORTANT STEP HONOURS GRADUATE TO SENIOR MANAGEMENT TRAINEE

The James Neill Group is an expanding group of companies mainly engaged in the manufacture of hand tools and engineers' cutting tools. We are looking for an honours graduate up to 25 years of age to train for our Management team and to develop with the Company. Applicants need not necessarily have just left University.

Degree subject is not a major consideration; the important requirement is an enthusiastic and logical approach to problem solving. The successful applicant will possess the personality to work with people at all levels.

Training will cover two and a half years and consist of periods of attachment as Personnel Assistant to Executive Directors in Production and Marketing. This ensures that the Senior Management Trainee faces real management problems at an early stage and must accept responsibility to match his involvement.

The appointment will be based in Sheffield where the Group manufactures ECLIPSE and MOORE & WRIGHT tools.

For further details and an application form, please write to:

Group Personnel Manager,  
James Neill  
Holdings Limited,  
Napier Street,  
Sheffield S11 8HB

## Would you like to work on the Continent?

15 years ago Sea-Land was founded. Now a world-wide organisation, serving more people than any other container ship operator. The new container vessels will be put into service soon. The largest and fastest which have ever been built.

Sea-Land's European head office at Rotterdam has a challenging opening for an

### Experienced Programmer/Analyst

Knowledge of IBM hardware and software; they apply to the 360/40. Workable knowledge of IBM utility programmes. Cobol programming experience with hands-on training. Ability to debug programmes that have been written by other personnel. TP experience highly desirable.

The man chosen for this job will direct the entire operation in the absence of the DP Manager.

Unusual opportunity for growth with a young company; small staff now, with potential for advancement.

Every assistance will be given to find appropriate housing facilities.

Please send resume to  
The Manager, Data Processing,  
c/o Sea-Land (Nederland) N.V.,  
P.O. Box 7560, Rotterdam,  
The Netherlands.

## O&M Officer

PYE TMC Limited is a supplier, leading in several of its activities, of Telecommunication equipment. The Company has been going through a substantial period of growth and this will continue. This presents challenging opportunities for professional staff of ambition and energy. Career prospects can extend throughout the Group of which this Company is part.

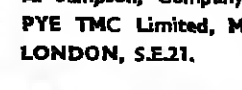
The Components and Capacitor Divisions, jointly, require an O & M Officer to undertake the review and revision of Divisional procedures, liaising as necessary with management of other Divisions and the Head Office.

A Graduate, ideally with a business qualification, is preferred, who has had some training in one or more branches of management services. Applicants, aged probably up to 35, should have at least three years general O & M experience which should have included the design and installation of visual record computers.

This appointment will be based at Canterbury, but some travelling to King's Lynn will be involved.

Salary, for a man appropriately qualified and experienced, will be no less than £2,500 per annum.

Write, with brief relevant details, to—  
A. Sampson, Company Personnel Executive,  
PYE TMC Limited, Martell Road, Dulwich,  
LONDON, SE21.



## KIRKSTALL GEARS LIMITED PRODUCTION CONTROLLER £1,750 p.a.

We are the Gear Manufacturing Division of the Kirkstall Group, and we are seeking the completion of an apprenticeship programme, which includes distribution and assembly.

We need a Production Controller who has had experience in the control of production. He will be expected to introduce new systems and modify existing procedures. Applicants will possess a minimum of O & N.C. and will be between the ages of 27 and 45.

Our relocation expenses and fringe benefits are good and interested applicants should write, with brief details, to:

J. R. Shooter, Esq., Personnel Officer,  
KIRKSTALL GEARS LIMITED  
Rosedale Road, Burnley, Lancs.







Q: What is the strategy of Save & Prosper General Fund?

A: The fund was launched in September, 1967, to fill a gap in the Save & Prosper range. We wanted to provide a general fund invested in UK-registered equities. We decided to restrict ourselves to large companies, basically those with a market capitalisation of more than £10 million. That was our first principle. The second was that we should try to produce a 5% rise each year in the distribution. The third is that we should bunch the yields in the middle of the range, rather than averaging high and low yields to achieve the same result. On the capital side we aim to beat the Financial Times all-share index, despite capital gains tax and dealing costs. With the odd exception we have, we think, carried out these principles.

With this policy, on a sizeable £12 million fund, does this mean you are picking sectors rather than individual stocks?

Very much so. We do not think we are losing out by not being in a large number of small companies that you might be able to buy now but perhaps not sell on our scale when you want to. Buying smaller companies has only really worked for us in the property sector, where there are not many big concerns. We have found, and the experience of the last few months has borne this out strikingly, that you can do just as well or better by being in the right sectors at the right time.

In General Units we have tended to avoid engineering shares to a large extent. We bought breweries, property, finance, insurance and banks.

We have a weighted model of the all-share index itself, so we can see where we are light or heavy and monitor our performance sector by sector.

Breweries have been a big success for you. Do you still feel this is a good sector to be in?

Breweries got very highly rated and we did reduce our holdings about the end of June. But in the recent post-Budget rise in the market they have fallen relatively and the price/earnings multiples have come back in line with the market.

When have you been buying Whitbread, which has been the least successful brewery share in terms of price?

You have to take this in its context. We bought a very large and brand new holding in Bass & Barrington, which has done us

# How they make money on a £12 million fund

How do the big investors manage their portfolios? Which shares are they buying and selling and why? Where do they think the market is going? The small man would dearly love to know, but he rarely, in Britain, gets the chance to find out. Today, in the first of an important occasional series, Business News meets Robert Fleming & Co. probably the biggest fund managers in the City. Flemings manages around

£1,000 million-worth of stocks and shares, including nearly £400 million for the vast Save & Prosper unit trust group. Financial Editor GRAHAM SEARJEANT talks to Flemings' John Archibald (left), John Drysdale (right), and director Joe Burnett-Stuart (centre) about the way they plan policy for just one of these trusts, the £12 million Save & Prosper General Fund, which in the past year has risen by 38%.



Michael Ward

was just not a bolding t

We were aware of the group but we took the view from the unitholders' perspective it was better to have shares than stay in and improve the company, through the ginger group or other means.

Many people think food is going to be a sector for the coming year. A good common market under this why you have just Unilever?

Unilever is very much a commodity share—much more than people imagine. It's all its basic raw materials, commodities which fluctuate in price, so its costs go up and like a yo-yo. It is interesting that its price has gone quite a long way down, a company like Unilever, which is always buying and controlling forward. You can actually a trend up or down over a month or a couple of years. They are already enjoying a right trend now; this second quarter figures were good.

What is your time horizon projecting ahead?

We have probably never projected a share more than years ahead. You cannot go beyond that with any accuracy. And of course, need to keep a day to day if anything looks like wrong.

So there is not much to be gained from their C Market prospects yet?

Not specifically. It would rather like buying a share in the Alaska oil which would not have been successful. You are not getting any results for even the first transitional year, 1974. That is three years away. Three years back middle of 1968 who would have projected a stock market rise of 1969-70, the return of Tory Government, recovery? We are not interested, but in any case, success in the Common Market is more a function of management than anything else. Whether it rises to the challenge or gets swamped by it.

How you sold any of the Market funds?

We don't think we had any sold Laporte but we thought was a dud anyway.

You made two interesting stores: Woolworth and Woolworth at the end of the year, but profits were not continue to fall. Was the result of an institutional in?

Woolworth's capital performance has been a dud. Our analysis has been to several times the management has been in along. But we bought it at a yield, a handy 6.9%. However we were disappointed at latest figures and the bold now under review.

More happily you seem to bought GUS just at the time, when most people scared off mail order by postal strike. But will you it now it is on a low yield, is a fairly low growth and its high rating seems depend more on its steady and its sector than more virtues.

Quite agree. Even in the past GUS has never produced phenomenal growth. If you look at record it has been 10%, one and 5%, another. Really, I had its run. The P/E ratio over 20. We bought around 15, so we have a profit. The whole sector has been re-rated, but GUS is particular. We would not sell GUS. In fact would probably be sellers of stores sector in general. They are now terribly high, a patching an awful lot. An yields are low.

What is your thinking on financial shares as a whole now?

We feel that the financial sector is a strong sector to go for for a considerable period of time to come. We think our new special fund, Save & Prosper Financial Service, has got a great future.

But General does also have these yield requirements. Until the other day Barclays was yielding only 2.6% and Lloyds 2.5%. Midland was the highest yield there and we have made a good profit by buying just that one. But from a severely critical point of view we should have been more in banks than we were, and we partly missed that run.

Discount houses are appalling shares to deal in—typical of shares we do not want General to get involved in. You can only get a price quoted for 2,500, or 500 if you want to get out.

We have been very heavy in composite insurance and we have had an enormously successful run. And we are still feeling relaxed—good results are coming again for the first half of this year.

## Are oil shares at their peak?

Oil shares have had a good run, too, but you have been buying Burmah and a new holding in BP. Do you disagree with com-

mentors who feel they have reached their peak?

We have been low in oils, about 8%, compared with nearer 13% of the All-share index. We had, over a period, taken a view that we should stay light in this sector. Then when we were looking for a new investment, not necessarily oils, we noticed BP, at that stage around 420p, were on a very good yield, around 5.3%. So we bought from 417p up to around 460p. Out came the recent figures; they were very good but the relative position of the shares had changed in favour of Burmah; so we reduced the BP holding and added to Burmah. We shall probably be staying relatively low in oils, despite the good Shell figures last week—Shell is our biggest holding.

Would you now sell BP if you thought there was going to be a rights issue?

Actually, we are thinking at this moment what to do with our BP holding. We certainly would not add to it at this level, 612p.

Six months ago your message to unitholders was that falling interest rates would boost prices. What are you projecting for the market in the next six months and how does this affect your tactics?

The importance of the general market trend to us comes back to our running the fund on an all-sector basis. We have been looking at our successful sectors—the breweries, properties and

financials—to see if they are likely to perform as well over the next six months, and asking if it is time to be getting back into the engineering shares.

We have had an enormous rise in the stock market, based on hope and good earnings helped by the corporation tax cut. The recent weakness is probably due more to Wall Street than anything else. In the next year, on all the projections, it looks as though earnings will be good again; but this is partly discounted in prices. We are waiting now for evidence of the Government's reflation measures coming through to profits before the stock market takes its next step and while we are waiting we do not see much interesting happening in August, September or October. Thereafter, subject to Wall Street, we do not see why the next step should not be up.

At present your portfolio is particularly concentrated on the fashionable sectors. Is there not a danger of jumping on the current bandwagon and missing individual shares that are cheap now?

Yes. The same applies to graphs and relative strength analysis. There is a danger in any form of portfolio management that you run your success for too long and then get frozen into it.

But we do not feel there is any hurry at the moment in picking our new sectors. We want to be absolutely sure that we have got the story right and not just rush in on a broker's report immedi-

ately following Barber's mini-Budget. In fact if a sector is going to move, the relative performance trend lasts for quite a long time. You may feel you have missed the beginning, but you can always buy these once you actually start to see a turn, and still be relatively successful. Sector choice is fundamental, and we do not want to rush. For instance, although we did not buy at the bottom, we have made a good profit on building materials. This sector has probably now run its course; construction we think has not yet.

Textiles is a sector you got out of altogether by selling Courtaulds. It is one of the least rated so far. Do you think the industry will take a long time to recover?

We sold Courtaulds right at the start of the year. Now we are changing our view on textiles and particularly on Courtaulds. We have actually bought 125,000 this week. This is an interesting sector if you think there is going to be a consumer pick-up. The stock position can change quickly and this gives tremendous gearing on trading. Courtaulds also has financial gearing which should work in its favour.

What other sectors would this question of stock make attractive?

To a certain extent the building suppliers—but that story has already happened. Now there are the engineering firms supplying parts for consumer durables that can be produced quickly, and motor components. Somebody who supplies British Leyland or Ford would benefit rapidly from, say, a car boom next spring. Sheepbridge is one example. We also have Pilkington which is part motor, part building suppliers—the ideal sector stock at the moment.

You have also bought Dunlop. Was that for the sector or for the Dunlop-Pirelli merger benefits?

Primarily for yield. We bought Dunlop very cheaply at 125-130p. It had the right fundamentals for a solid company and at that price the yield was about 6.2%. We felt it was very much underpriced by its yield. We used the same principle as one of the legs for buying BP. It is extraordinary how the big companies have a floor under them if they get on to a certain yield basis much above the market—provided, of course, that they are trading reasonably well. It is in effect the old cry that you should always buy ICI on a 6% yield.

This approach forces you to look closely at large companies which appear out of line because the yield is high. This yield discipline is a great help in avoiding stummers, and avoiding stummers is almost as important to good portfolio performance as spotting the winners. Paradoxically your discipline forces you to look at what may be cheap shares, apparently for quite different reasons.

You have sold both EMI and Rank Organisation. Did you manage to avoid the losses there?

Yes. On EMI we were worried about the Capitol subsidiary in the US but we did not really sell because of some insight into the impending disaster there. We developed a long-term view that we did not feel the management was sure where it was going.

We sold Rank on a question of price. It had gone substantially ahead and the yield was too low for General Units unless we had thought of something tremendous was about to happen.

You sold Reed despite a very high yield and a maintained dividend. Would you buy paper shares now?

Selling Reed was a mistake. We got nervous about the dividend and sold some time before it was announced. Now we are looking again at both Reed and Bowater to buy for General Units. We have missed out on that sector so far and both companies UK operations should benefit substantially from any pick-up in consumer spending, advertising and in Reed's case any price rise for the Daily Mirror.

Are you happy about management?

The figures do not look good but it is a very difficult industry. Not one you would want to be in long-term. In that context we think Don Ryder has done a good job at Reed.

In Bowater's case we suspect there is quite an improvement. We had lunch with Martin Ritchie, the chairman, and think he has initiated some good moves. He has brought on younger management and integrated management operations under one roof for the first time.

## Lunches with the chairmen...

How much of your information comes from lunches with chairmen and so on and how much do you rely on brokers?

It is hard to quantify. Communications are our life-blood and we get information from many sources: brokers, company visits at various levels of management, going to see the plants, reading industry journals, our own research department and general title-tattle. I would not discount title-tattle; we are in a market after all.

Why did you sell out of BPC rather than joining in the institutional ginger group?

We sold BPC because, purely on investment grounds, we were not convinced about the company and we were certainly not convinced about the dividend. That proved to be very right. From General's point of view a cut in dividend or no dividend is a disaster. BPC

# BOVRIL SHAREHOLDERS

## Strong recommendation by your Directors

- \* You now have a large capital gain on your shares. The Bovril Board believes the best way to safeguard this gain is to accept the improved Rowntree Mackintosh Offer.
- \* The Rowntree Mackintosh share price is well backed by a forecast of record profits, assets of £5 per share, strong brand names and ample dividend cover. It is therefore a sound long term investment. This is what really matters when it comes to choosing which offer to accept.
- \* A sale for cash in the market of your Bovril shares, or of securities received in exchange, or the acceptance of any cash offer will for most shareholders result in a substantial capital gains tax liability. (On the basis of the price at 6th April, 1965 the liability could be up to 86p on each Bovril Ordinary share.) Acceptance of the Rowntree Mackintosh offer involves no immediate capital gains tax liability.
- \* The Bovril Board supported by their advisers J. Henry Schroder Wagg & Co. Limited therefore strongly recommend you to accept the Rowntree Mackintosh Offer without delay, by completing the white form of acceptance.

THE CLOSING DATE IS TUESDAY, 17th AUGUST, 1971

This advertisement is addressed to the Ordinary shareholders of Bovril Limited and is issued by J. Henry Schroder Wagg & Co. Limited on behalf of Bovril Limited. The Board of Bovril Limited have considered all statements of fact and opinion contained herein and accept individually and collectively full responsibility therefor.

## Associated British Foods

I have a firm belief in the growth potential in the fields in which we operate.

MR. GARRY H. WESTON, CHAIRMAN

Sales £585 million  
Profit before tax £23.8 million

The record results reported by the group for the past year have been achieved during a period when inflation has exerted a constant pressure on margins. Continuous price increases are impossible to disguise from customers with daily and weekly shopping habits, and these constant reminders of inflation are a deterrent to spending, thus exerting a disproportionate effect on margins in the food industry.

Under these circumstances, and operating in highly competitive industries, profit growth can only be achieved by containing costs—rather than by higher pricing—by increased sales and better utilisation of assets.

This, I am pleased to report, is how Associated British Foods achieved its success this year.

### Financial Highlights

	1971 £ million	1970 £ million	1969 £ million
Sales	585.2	524.4	503.0
Trading Surplus	41.5	38.3	35.9
Depreciation	12.5	11.4	11.2
Interest	5.2	5.1	4.5
Profit before Tax	23.8	21.8	20.2
Net Assets	155.1	146.3	140.1
Ordinary Shareholders' Funds	82.9	76.2	60.4
Earnings per Ordinary Share	3.49p	2.98p	2.85p
Ordinary Dividend	36%	34%	33%
Profit before Tax as a % of Net Assets	15.4%	14.9%	14.4%

WESTON CENTRE, 40 BERKELEY SQUARE, LONDON W1X 6BR



US gold reserves are plunging as speculation increases that the dollar will be devalued. **MALCOLM CRAWFORD** in London and **HARLOW UNGER** in New York report

# Must the dollar fall?

Another international crisis, or just another in the slow drain on the dollar? Last week, dollar speculation was in the mind of bankers dealing with international business. And it flowed through their by the hundreds of millions en route to the vaults of central banks. Every other currency—strengthened during the week, and ended the week against its ceiling in dollars.

Central banks' vaults are where these derided dollars will remain. For the US dollar's gold stock—in the world's central gold—has now fallen to \$10,246 million, its lowest level since 1945. Any further demands for gold (central banks agreed to deal only with \$500 million, or each other, at \$35 an ounce), would take the dollar's gold pile down to the meagre \$10,000 million.

It is magic only in people's eyes—in the eyes of bankers and officials, of course, and even central bankers might. But there are just the of considerations that the dollar's position in the world is in a mood to pull the system down around its ears. The French drew out of the dollar early this month, and it was because IMF rules demanded that they make part of their repayment in gold. The French are believed to be seeking to upset the balance of payments by demanding gold.

The French drew out of the dollar early this month, and it was because IMF rules demanded that they make part of their repayment in gold. The French are believed to be seeking to upset the balance of payments by demanding gold.

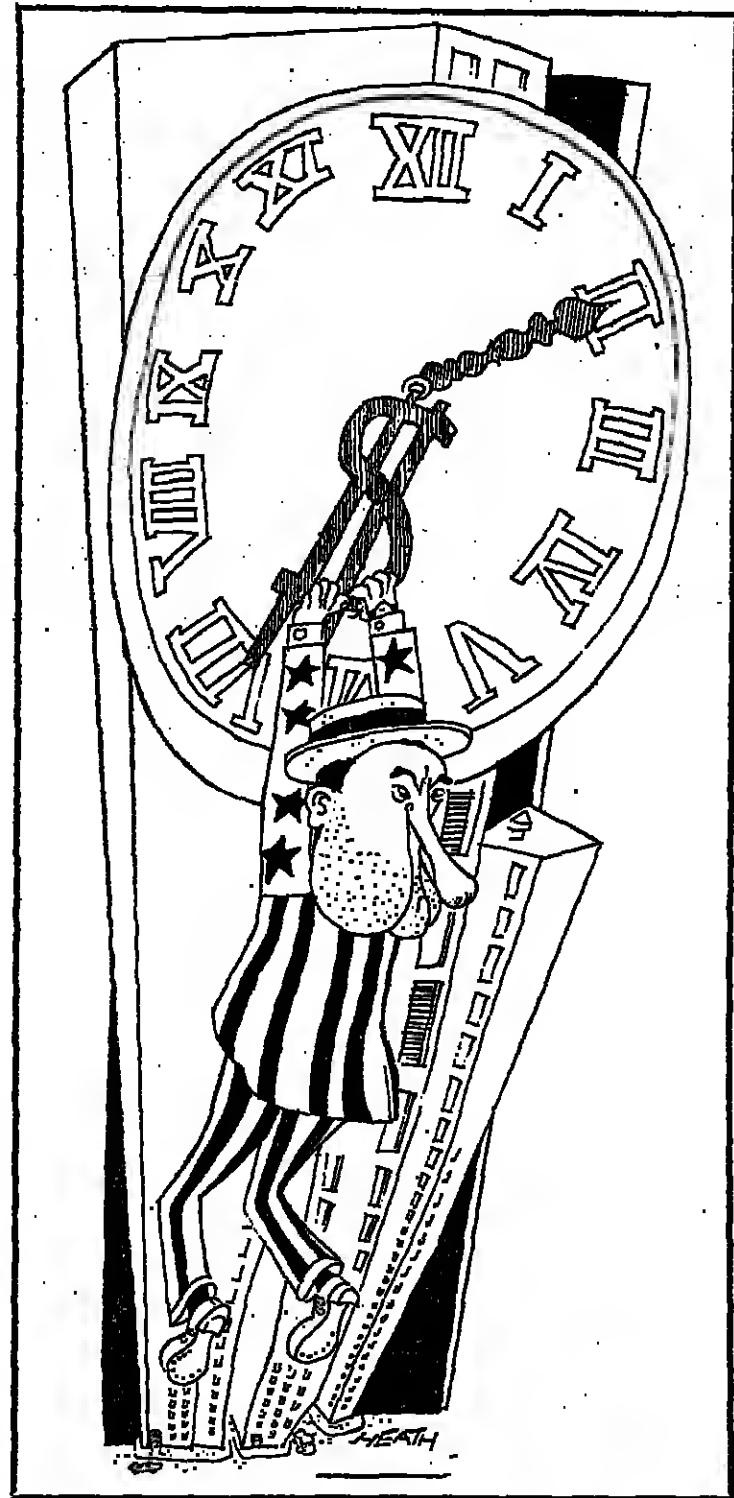
The sub-committee of the US Congress on International Exchange and Payments, chaired by Henry Reuss, calling for devaluation of the dollar. Reuss has been known to favour this for some time, but his report, issued a week ago in Washington, contained enough logical thinking about the mechanics of it to persuade many people on Capitol Hill that this is not a crackpot idea.

Whether it is really practical just now is another matter. The new orthodoxy about dollar devaluation is that the dollar cannot be devalued, and that the only way this end can be achieved is by other countries revaluing against it. It is easy to see how this belief suits the US Treasury, for countering speculation, but unlike some monetary orthodoxes, it is largely thought not wholly true.

The situation puts the US in a very difficult position indeed. With a balance of payments chronically in deficit (\$2,800 million in the first quarter on one definition, \$5,700 million by another) the US leaves it up to the foreigner, either to continue accumulating the dollars spent or lent abroad—which can sometimes make conduct of monetary policies very difficult for the dollar-gaining country—or else to revalue his currency upwards against the dollar (or let it float upwards, with much the same effect). The way some European bankers tell it, this puts all the onus on them and makes life easy for the Americans.

What happens, though, is that most of the time the necessary adjustments just do not get made. Three countries have revalued, and three including Germany, have floated their currencies upward. After the last bout of this, in May, American officials thought that this would be almost enough to restore equilibrium—if only Japan would behave herself, preferably by a 10-15% revaluation.

So far, though, there is no sign of Prime Minister Sato's



Government swallowing its denials of any intent to revalue. So present policies appear unlikely to close the payments gap, so long as Vietnam goes on.

In the meantime, a substantial part of Nixon's hoped-for monetary expansion flows out of the country, while American factories are unable to compete with Japanese ones, and the trade balance (normally in surplus) slips firmly into deficit. In these circumstances, there is nothing Treasury Secretary Connally or Congressman Wilbur Mills would like more than to be able to correct the dollar's overvaluation.

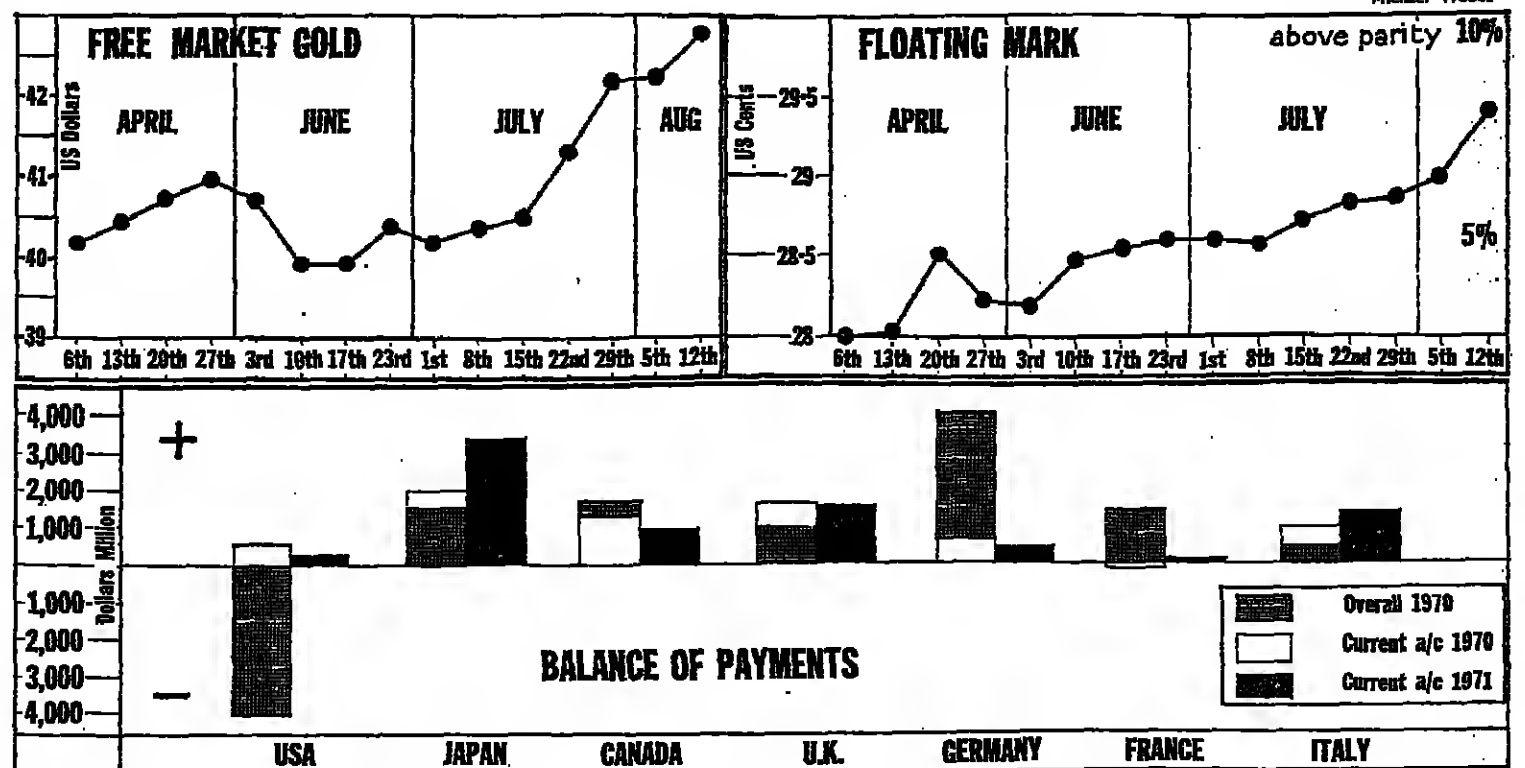
Reuss's prescription is that Nixon and Connally should take "unilateral action to go off gold." That would have to be the first step toward unilateral devaluation of the dollar, insofar as this could be done at all. To devalue the dollar in this way, the dollar price of gold would have to be raised. The President lacks the legal power to do this. He cannot even formally propose it, to any international body or conference. He can only propose it to Congress, a stipulation which Congress made in 1945 when it endorsed the Bretton Woods agreement.

This means that if the Administration wants to raise the gold price, Congress must be allowed to go through its

investigative and legislative procedures after being told of the Administration's intention. Naturally, the Treasury would immediately have to stop dealing in gold—this is called "closing the gold window." What happens next depends on other countries. They could continue to peg their currencies against the dollar, and thereby attract more dollars. Or they could float, as Canada and Germany have done, to stop the dollar influx. In other words, what would ensue would be more so.

This chaotic result does not appear to be the preferred choice even of Henry Reuss. He would like, first, to see the Administration press harder to get certain strong currencies revalued, especially the yen. "After all," an aide of his told The Sunday Times on Friday, "the dollar remains undervalued in relation to at least 100 other countries. It is overvalued only in relation to the Japanese yen and maybe half a dozen other currencies."

The official added that the primary motive in releasing the report was to spur the Administration and the IMF into "doing something realistic about solving the US balance of payments situation." Last week, following the furore over Reuss, certain well-briefed articles appeared by Washington journalists elabor-



ating the Reuss scenario. If the US closed the gold window, the IMF executive, it was suggested, would use powers available to it under a little-known article in its rules to suspend all parties temporarily, setting in motion a general all-around float. The two-tier gold system would come toppling down. Eventually, the US would announce a new gold price, and new parties against the dollar and/or gold would somehow be worked out, while Congress got around to agreeing to a new dollar-gold parity.

We do not believe that it would happen this way. Economists can devise elegant mathematical models of how freely floating exchange rates can produce general equilibrium, but central bankers do not believe them. They can comprehend two or three currencies floating against the dollar well enough, but the idea of every currency floating against every other one scares the wits out of them.

There would be a conference held as soon as possible at which the big financial powers would exchange demands, offers, and threats, and come to some sort of agreement on new exchange rates. Some countries that had difficulty in picking a par value quickly would temporarily float. It would not much matter what new gold price Congress eventually picked, if it picked a different one at all. It is the changed exchange rates against the dollar that would matter, not the gold price.

But why would it be necessary for the United States to go off gold to achieve this, then? Only because, as the Bundesbank's vice-president, Oskar Eggensperger, observed recently, it usually requires an international crisis to get the right exchange rate adjustments made. The Nixon Administration is not going to set off this particular sort of crisis just now. For by the time Congress had satisfied itself, chewing the matter over, next year's presidential election campaign would be looming up—not a good time to be completing the world's most painful form of devaluation.

Someone high up in Washington appears to be flashing warning signals. Who is trying to scare?

The Japanese, as the chart shows, have the biggest surpluses. They admit that these

are likely to continue, and though they argue that aid and investment are flowing out fast, the aid is largely export credit, which will generate repayments in time, and the investment will generate profits, remittable to Japan. Later, there has been active debate in the Japanese financial press about the revaluation question, with prominent Japanese figures declaring themselves for and against. It is closely reminiscent of Germany in 1968, when the same debate suddenly broke out there (Germany revalued by 9.3% in 1969).

With Japan, agreement with the US will be complicated by both sides' accusations about non-tariff barriers. Our bet is on a package including removal of quotas, together with a yen revaluation of 10%, and agreement by the US to stop demanding that Japan restrain her exports.

Germany has the biggest overall payment surplus, as the chart shows, but this is mostly short-term capital, much of it borrowed by German firms from the eurodollar market. Legislation is now proposed to put such borrowing under restraints parallel to those on German domestic borrowing. The current account surplus, which in 1961 was \$1,600 million, is likely to fall below \$500 million this year. This was the OECD's estimate in June, and with the floating D-mark now over 8% above the parity fixed by the 1969 revaluation, the current account could go into deficit. The mark does not look undervalued. The Germans are surely watching to see what the Japanese do before fixing a new parity for the mark.

Britain, for a change, is now among the ranks of the countries with big surpluses. Our current surplus is now far bigger than Germany's, and the overall position is also heavily in surplus. But this is largely due to the recession. At 2% unemployment, Britain's current account would be in about bare balance.

It would be much easier for the US to get a pseudo-devaluation of the dollar in the form of an import surcharge and an export rebate. The export rebate would have to be initiated in the House Ways and Means Committee, headed by Wilbur Mills. Given the present tense relations between Mills and Nixon, their cooperation over this in the

near future seems unlikely. But an import surcharge could be imposed by decree. A charge of 15%, is understood to be under examination.

Also proposed are tax holidays for export sales subsidiaries of American companies. Although the Japanese use this device, the Americans and other OECD countries have been trying to induce the Japanese to abandon this export subsidy. Other ideas being investigated include investment credits for exporting firms, and (shades of Wedgwood Benn!) subsidies for advanced technology exports disguised as development credits.

The main collector and promulgator of ideas of this kind has been Peter Peterson, Nixon's new Co-ordinator for International Economic Policy—a new office, which appears to exist mainly for the application of pressure and striking of fear into the hearts of small, dark, slant-eyed men.

However, the Japanese are not, in our view, going to give in unless the Nixon Administration makes concessions to them on trade. Given the rapid and unpredictable growth of Japanese productivity, it would be better if the Japanese let the yen float, then revalued to a new fixed rate.

The next high-level occasion for these matters to be taken further will be a meeting of finance ministers of the Group of 10, to be held a few days before the IMF meeting late in September. It will be a busy occasion. For the ministers will also be considering changes in the IMF rules, including a widening of the hands between the ceilings and floors, governing the day-to-day stabilisation of currencies by central banks.

Present Fund rules set a limit of 1% either way. This will be widened to at least 3%.

This would be no substitute for changes in exchange rates (a currency on its present ceiling or floor would revalue or devalue by about 2% when moving to its proposed 3% ceiling or floor, which is not much) but it would help.

It would also legalise a deal which the Germans and French appear to have reached in outline (and in secret, on behalf of the Common Market as a whole) which would resume their road to EEC monetary union. Although many proclaimed this latter aspiration dead when the mark floated last May, the present aim involves Common Market currencies fluctuating in line with one another across a band of up to 3% either side of parity. This is a further step ahead than it seemed, before May the Community was prepared to take until at least the middle 1970s, for it involves, in some degree, a Community-wide float en bloc against the dollar and other currencies.

Other amendments to the IMF articles are likely to come before the meeting, too. Temporary floating of rates may be legalised. The present floats by Germany, Canada, and the Netherlands are shooting holes in the rules. These must urgently be amended if any respect at all is to be sustained for the Fund's articles. Otherwise the IMF will become increasingly ignored except when a country in trouble needs it for money. It has a larger role to play than that of a pawnbroker—especially in these crucial days when the dollar, the pivot of the whole international money system, looks so shaky on its pins.

## British Match

### Results

Group results were dominated by a swing of £957,000 from profit to loss in the building products division of Eddy Match of Canada, where Kootenay Forest Products was hit by depressed lumber and plywood prices and Grant Industries had another disappointing year. Kootenay is expected to show a profit for the current year and Grant has now been closed down.

Match and chipboard profits were maintained and printing and packaging results improved by £450,000. A fall of £272,000 in the contribution from wood chipboard and fans arose from inventory problems in the fan division of Aircrow-Weyroc, which led to a heavy write-off at the year-end. The new wood chipboard plant in New Brunswick, Canada, was completed by the end of April and first shipments of board should commence in September.

### Principal Activities

	1971	1970	1971	1970
Match industry	£4,835	£2.1	£4,847	72.3
Wood chipboard & fans	671	11.4	843	14.1
Building products	—680	—11.2	297	4.4
Printing & packaging	625	10.6	175	2.6
Miscellaneous	421	7.1	444	6.6
	<b>£5,882</b>	<b>100%</b>	<b>£6,706</b>	<b>100%</b>

UNITED KINGDOM • AFRICA • AUSTRALIA • BRAZIL  
CANADA • NEW ZEALAND

Report and Accounts may be obtained from  
British Match Corporation Ltd., Fairfield Road, Bow, London E3 20P

## CROWN HOUSE

Glass Manufacturers  
Electrical and Mechanical Engineers

- Record profit before tax of £1,633,416 represents an increase of 20% over previous year (8% excluding purchase of National Electrical Supplies) and is after charging S.E.T. £624,000, and bad debts provision £111,000.
- Ordinary dividend increased from 19% to 20%, dividend cover 1.9 (1.8).
- Earnings per share up from 3.5p to 3.9p.
- Return on capital employed up from 21.2% to 23.6%.

A copy of the Annual Report and Accounts including the full text of the Chairman's Statement can be obtained from the company's offices at 2 Lygon Place, London, SW1W 0JR (Telephone 01-730 8287).

## THORN

### Sir Jules Thorn reports "A very satisfactory year"

Sir Jules Thorn, Chairman of Thorn Electrical Industries, in his Annual Statement to shareholders, reports "A very satisfactory year for the Company".

	1971	1970
Turnover	£342.6m.	£294.1m.
Trading Profit	£ 72.5m.	£ 59.0m.
Profit (before tax)	£ 37.2m.	£ 31.2m.
Earnings per share	17.1p	13.9p
Total Dividend		
(Recommended)	24%	21%
Times Covered	2.8	2.6

Depreciation accounted for £31.1 million, over £6.8 million higher than last year, and interest charges were £4.2 million. After tax and outside interests, attributable profits rose from £17.9 million to £22.2 million.

The high level of output of monochrome and colour television receivers has, of course, said Sir Jules, made a substantial contribution to the increase in profits during the year. However, the improvement was not confined to television as domestic appliances, audio products, and lighting products also produced satisfactory increases.

Over the last ten years earnings per share have nearly trebled and pre-tax profits have increased 12.8 times while net assets have increased 7.4 times. Gross cash flow totalled £53.3 million in 1970/71.

Our cash requirements over the next two to three years will, of course, be affected by the abolition of the regulations requiring deposits on line purchases and rental contracts. However, the Company still has a substantial unused cash facility and this, combined with the high level of cash flow plus some additional borrowings, should be sufficient to cover the Company's requirements.

### High Level of Colour T.V. Sales

Total home and export sales of British Radio Corporation (Ferguson, H.M.V., Ultra, Marconiphone) products in 1970/71 rose by nearly 50% compared with 1969/70 and profits also showed a substantial increase.

Record sales were achieved of both colour and monochrome television receivers.

Sales of audio equipment also increased, mostly due to the growing popularity of stereo-phonograph record playing equipment.

During the year we acquired an important distributor in Sweden as part of a policy to build-up Thorn owned companies in overseas markets to handle B.R.C. merchandise.

### Expansion at Home & Overseas of Rental Companies

The colour television receiver is a product well suited to rental and Thorn Television Rentals with 1,000 shops is very well placed to take advantage of this demand. Our colour subscribers more than doubled in the year, very much in line with our expectations.

Income of the U.K. rental companies increased substantially and profits were ahead of expectation and an improvement on last year.

Considerable expansion took place in our two rental companies in Australia, and last autumn we commenced television rental in Denmark and Sweden, where demand has been most encouraging. In April, 1971, we opened a rental operation in Germany.

We are very hopeful that expansion of our rental interests in Europe will provide a useful base for increasing exports of television sets from our U.K. factories.

### Leadership in Lighting

Thorn Lighting (Atlas and Mazda) showed a satisfactory increase in turnover and profits. Its export performance was particularly creditable and the Company was granted the Queen's Award to Industry for the second time.

The New Atlantic range of fluorescent fittings was immediately acclaimed by architects and consultants.

An example of the many successful projects undertaken by the Thorn-Benham Environmental Unit with its integrated approach to building design, is the new Avonbank District Headquarters of the South Western Electricity Board, opened this summer.

During the year we have added more high speed equipment of sophisticated design to many of our manufacturing plants thus ensuring that we maintain our leadership in these fields.

### All previous results substantially exceeded in Domestic Appliances

Thorn Domestic Appliances (Tricity, Moffat, Kenwood, Main) continues to make good progress and has exceeded all previous results by a substantial margin both in terms of turnover and profit.





## General Appointments

## Accountancy &amp; Finance Appointments

## General Appointments

**MERVYN HUGHES ASSOCIATES LIMITED**  
 Management and Executive Recruitment Consultants

 Trout House, 58 St. Mary Ave.  
 London, E.C.3.  
 Telephone: 01-283 0037

**OUTSTANDING PERFORMANCE WILL LEAD TO BOARD STATUS**
**MANAGER**  
**BUSINESS HOUSE**  
**TRAVEL**  
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 plus car

Terms of reference for this appointment are stringent. A top grade administrator who is self motivated with pronounced business promotional flair and preferably aged in his thirties is required who by reason of his wide and aggressive experience in the travel industry is fully competent to lead, direct and aggressively expand a Travel Company with Business House &amp; Retail interests, which is a subsidiary of a large group of companies. The company is old established, holding a dominant position in its specialised field and forms a base for immediate dynamic growth under the right direction. Benefits include company car, contributory pension scheme. Applications in strict confidence under reference S3617 to Brian Luxton.


**SALES ENGINEERING IN A WIDE OPEN MARKET**
**TECHNICAL**  
**SALES**  
**EXECUTIVES**  
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 plus car

Our clients are a Northern based company with important international connections, well equipped design, production and demonstration facilities and an established reputation in the engineering and allied industries as suppliers of complete metal finishing installations based on a world renowned, highly successful and technologically advanced range of Electrostatic Powder Coating machinery. Sales activities are being expanded and two Sales Executives are required—one for the London area and the Home Counties—the other to cover the Midlands. A thorough product training will be given but an appropriate technical background and a knowledge of the metal finishing industry are essential allied to pronounced sales ability and capacity to negotiate contracts at high level. Telephone (reverse charge) or write in strict confidence quoting reference S3615 to T. C. Walker, M.J.Mech.E. (personal No. 01-283 3905).


**ENGINEERING AND ELECTRONICS**
**SALES**  
**EXECUTIVES**  
 £2,500/£2,750 p.a.  
 plus car

In connection with a current phase of further dynamic development, an old established expanding company with varied interests in the engineering and electronic components field requires to appoint additional Sales Executives in London, the Midlands and Wales. The major criteria are a proven record of success in an appropriate technical sales environment, initiative, sales creative ability and capacity in advance in line with the company's further growth. Applications in strict confidence under reference S3616 to D. E. B. Hughes.

**Development & Planning Officer**

£5469 (under review)

To join a small team engaged on planning the efficient operation and management of this large and expanding department, concerned primarily with the capital's land drainage and waste disposal services. The Development and Planning Officer will collaborate with line managers in planning the work of the department. This will be a key post involving the introduction of sophisticated management techniques, the Council's planning/programming/budgeting system, the technical and economic assessment of trends and the effectiveness of project studies. The work will require familiarity with operational research techniques, computer applications and systems and data preparation and analysis, and the co-ordination of forecasting and forward planning of resources. The successful candidate should have a good honours degree or equivalent qualification in a relevant branch of science, engineering or mathematics, with experience of the management of a large commercial/public organisation, preferably related to the engineering construction industry. Application form, returnable by 30 August, from Director (AE/331/8), 10 Great George Street, SW1, (01-839 7799, ext. 4391).


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The Administrative Staff Services Group requires a graduate or qualified Accountant or Administrator to be responsible for co-ordinating administrative Methods and Procedures activities throughout the Company.

**What you will do**  
 You will be required to provide advice and counsel in a wide range of associated activities but initially, emphasis will be placed upon simplification and methods improvements. Some of your more specific duties will cover:—

 Initiating and encouraging work simplification activities throughout the Company.  
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 Providing advice for further developing and administering IBM Records Management programme and developing career paths and structure for methods and procedures personnel.

**Qualifications**  
 You should be a graduate or a qualified Accountant or Administrator with significant managerial experience in Methods and Procedures Systems Analysis or a similar activity.

**Where you will be based**  
 Initially, you'll be based at Chiswick. But IBM's administrative Headquarters is moving to Cosham, nr. Portsmouth in Hampshire. You'll be asked to make the move too, at IBM's expense, of course.

**Salary & Prospects**  
 Salary and Prospects are excellent. IBM promotes on merit and from within. There are also many fringe benefits including, free life assurance and a non-contributory pensions scheme.

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 Please write with details of age, education and previous experience to Mrs. M. Pyne, Staff Division Personnel Officer, 389 Chiswick High Road, W.4. Please quote reference ST/90818 **IBM**

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c. £3,750 — car

You will design and operate a vital service, providing financial advice and information to Marketing Management on the control of current marketing plans against budget and also establishing the financial implications of future strategies. Four previous experience will probably include management accounting in the field of fast-moving consumer products or mail order operation, age 25–30, ACA, ACWA or ACCA, your talents will be both analytical and creative, but above all, you must be alert and responsive to the operational effects of market fluctuations. Promotion prospects include opportunities to enter main office and general management. Based in Northern Home Counties. (Ref. S29 HL/ST).

**Marketing Manager**

c. £5,000 — car

You will be responsible to the M.O. and be required to develop the complete marketing operations of the product range of 3 widely accepted brands including control of sales force. Current turnover £2m. p.a. The vital responsibility will be co-ordinating the marketing strategy both above and below the line. Aged 30–38 you will have been a Brand/Product Manager in fast-moving consumer goods with personal selling experience. You should also have direct responsibility for advertising budgets. Prospects for advancement are excellent within the Group. Based in North West. (Ref. S27 HL/ST).

**Production Consultant**

c. £4,750 — car

Your function will be to set up an internal consultancy service which aims to increase cost-effectiveness and to promote a high level of efficiency. This will include the establishment of standards, operating procedures and wage rates. You will probably have been a line manager in fast-moving consumer products. A consultancy background would be a useful asset. O &amp; M/Work Study training and experience in a labour intensive industry are important; and naturally you will be an innovator, constantly endeavouring to improve operating methods. Tact and perception are essential qualities. Prospects for advancement to line management are excellent within the Group. (Ref. S28 HL/ST).

**Merchandising Manager**

c. £4,000 — car

You will be responsible to the Marketing Manager for the creation, specification and evaluation of all promotional and merchandising operations, and for the training and control of mobile promotional units. Evidence of success in merchandising in large retail stores, and other below-the-line activities is essential in your sales/marketing career in fast-moving consumer goods. Age about 30, you must be a self-propelled enthusiast, who is creative, practical and a forceful influence in activating your ideas through a full range of outlets. Promotion prospects are good. Based in the North West, seasonally you will travel widely in UK. (Ref. S30 HL/ST).

All positions carry excellent fringe benefits including pension, life assurance and help with relocation if necessary. Please write, giving career details, and appropriate reference to:

**Robert Lee & Partners**  
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 In no circumstances will applicants' names be disclosed to our client without authority

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We are seeking engineers with design experience in one or more of the fields listed below, but also welcome enquiries from those with good academic qualifications and experience which is relevant to the automotive industry.

- \* Engine Emission
- \* Electrical & Lighting
- \* Air Conditioning
- \* Body Mechanisms
- \* Transmission
- \* Brakes
- \* Trucks

**Development Engineers:**

Responsible for the development of components and systems, the establishment of tests and the development of conclusions to assist final design resolution.

Previous experience should be in one of the following fields:—

- \* Engine Emission
- \* N.V.H.
- \* Body Mechanisms
- \* Air Conditioning
- \* Brakes
- \* Engine (Dynamometer)
- \* Trucks

**Test Engineers:**

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**Layout Design Draftsmen:**

Positions are available for Layout Design Draftsmen experienced in either body design or body mechanism design. Applicants must have experience in full scale and fine line work within the automotive or aeronautical industries.

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HNC through to degree qualifications are desired for engineering positions. Lesser qualifications may be accepted where experience is good.

ONC standard is desirable for the drafting positions.

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Ford Australia designs, manufactures and assembles a unique Falcon/Fairlane range of vehicles plus Corina, Capri, Escort, Galaxy and a wide range of commercial vehicles. Total sales volume exceeds 120,000 vehicles per year and employment is 10,000.

The Product Engineering Centre is located at Geelong, a beach-side city with a population exceeding 100,000, which is 45 miles from Melbourne.

All positions offer top salaries and excellent prospects. They carry full staff benefits including paid overtime, superannuation, free accident insurance, group life insurance, car purchase concessions, three weeks' annual leave, liberal sick leave and three months' long service leave after fifteen years' service.

Passages to Australia and initial accommodation will be arranged for successful applicants.

Interviews will be conducted in the U.K. during September.

Applications, stating full personal details and work experience, should be addressed to:—

 Mr. K. J. McDonald,  
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This operation is now being expanded in the field of equipment leasing for plant, machinery and allied equipment. Leasing Specialist is now required to set up and manage a leasing division for the company based in Lusaka.

Candidates aged 27 to 35 must have held a responsible position with a sizeable leasing Company and have a thorough knowledge of all aspects of equipment leasing. The man appointed must have the ability to carry out negotiations with clients at all levels and ensure adequate credit control. Clearly a knowledge of Accountancy is essential and professional qualifications a definite advantage.

The man appointed will also be expected to assist in the training and development of Zambian staff. A generous basic salary will be paid and a substantial terminal gratuity on completion of a three-year contract. Subsidised housing is provided and Exchange Control regulations permit the repatriation of up to one-half of each month's salary.


 Preliminary interviews will be held in London before the end of the month and candidates who wish to be considered are asked to contact without delay. Two sets of applications giving brief details of qualifications and experience should be sent immediately to:  
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 Moor House, London Wall,  
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**GROUP MANAGER**  
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Our Client is based in the North of England and controls a chain of garages throughout the U.K., many of which have mixed car sales and service franchises. Due to reorganisation a new Car Sales and Service Division has been formed and an outstanding executive is required to take control and fully develop the Division's considerable potential.

The position of Group Manager will interest men aged 30/45 with extensive proven experience in all aspects of car sales and service management on a large scale. In addition to this level of experience candidates should have initiative, drive and sound judgement, plus the ability to inspire and motivate a varied work force to optimum performance. Thorough financial knowledge of the motor trade is essential.

The successful applicant will direct and control Car Sales and Service Managers in accordance with agreed profit targets and ensure that current growth is maintained. A commensurate salary will be negotiated for the first year and from then onwards could be, by mutual agreement, based on the net profit of the Division. In addition, excellent pension, sickness and life assurance schemes are in operation together with an employee orientated car purchase scheme.

Apply in confidence giving details of education, experience and achievements to date to:

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In order to achieve our continually increasing overseas targets we are adding to the number of our International Managers.

We would therefore like to hear from you who can help us to achieve this objective, a following are some of the essential requirements:

1. Experience in the capital goods industry.
2. Ability to construct territory maps.
3. Successful overseas marketing and experience.
4. Some experience to overseas distribution and finance.
5. Fluency in at least one European language.

One immediate requirement is the appointment of a Manager for Yugoslavia, Greece and Turkey but obviously men with experience in other territories are required.

Remuneration is negotiable and will be based on Salary and Profit Sharing. There are Pension and Life Assurance schemes, and assistance relocation will be given. The emphasis is on finding an achiever. There are good promotion opportunities.

The appointments will be of particular interest to men in their late twenties or early thirties who will be based on Head Office at Leighton Buzzard.



Applications should be made in writing to: Mr. B. H. Hallam, Group Personnel Manager

**LANCER BOS**

GROVEBURY ROAD, LEIGHTON BUZZARD.

**The Government of Zambia**

has an immediate need of

**DISTRICT ASSIZERS**

on three-year contracts to assist in the administration of Weights and Measures Regulations and the training of junior staff. The Government offers a salary of up to £2,980 (including TAX inducement allowance); up to £200 appointment grant and a 25% terminal gratuity (also FREE). There are also free passages, liberal and generous education allowances, etc.

If you possess the BOT Certificate or current driving licence, please write to CRO AGENTS, "M" Division, 4 Millbank, London, SW1, for application form and further particulars stating name, age, brief details of qualifications and experience and quoting reference number M3A/691062/ZL.

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There are still a few places left on our Scheme for exceptional people with good 'A' level or ONC results. We are interested in people who wish to study for honours degrees on "Thin" or "Thick" sandwich courses in Mechanical or Production Engineering, or Metallurgy.

Openings and opportunities are excellent in T.I. the Advanced Engineering Group which includes such well-known names as BACO, CREOA, CHURCHILL, GEO. W. KING, MATRIX, RALEIGH and RUSSELL HOBBS besides being the largest Precision Steel Tube Makers in the world.

For more details and an application form write NOW to:

 T.I. Personnel Department  
 Woodbourne Grange  
 21 Woodbourne Road, Birmingham B17 8EZ.

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Applications will also be considered from senior management who have the qualifications and ambition to take up further responsibilities. Excellent salaries. Company cars provided. The Company also operates a non-contributory Pension and Life Assurance Scheme.

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**WESTERN AUSTRALIA**

For Baramulla Iron Pty. Limited, located in Gaslight in the North-West of Western Australia, to appoint a Superintendent to be responsible for the operation and maintenance of all power generating facilities, comprising:

Power Station currently under construction, consisting of four 30 MFC steam turbines for sale with oil-fired boilers. Two sets are operational and the remaining two to be commissioned in March, 1972, and December, 1972. Further expansion is contemplated.

Two Desalination Plants, each producing 200,000 gallons of desalinated water per day.

Two diesel-driven alternator sets, each rated at 4.75 MW. These will subsequently be replaced as commissioning of the main station proceeds.

Remuneration will be negotiated around \$A10,000. Fully furnished accommodation at on-site residential estate, school, leave provisions, medical and personal insurances, medical, dental, recreation, shopping facilities and church facilities available. Appropriate natural expenses paid. Applicants must have senior and responsible experience in the operation of modern steam power stations and be professionally qualified with a degree or diploma in mechanical and/or electrical engineering. Age up to about 45.

Please write by Friday, August 20, quoting reference S.A.R. to: Merz &amp; McLellan, Engineers, Killinworth, Newcastle-upon-Tyne, NE12 8RS, for application form, stating where available to commence duties. Initial interviews will be held in Newcastle-upon-Tyne or London.

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Must be bilingual, have a degree, and the ability to work well with different nationalities.

Responsibilities include financial planning and analysis, budgeting, cost analysis, and general accounting.

The compensation, incentives, and potential that this position provides in a challenging dynamic environment identifies this as truly exceptional career opportunity. Rush confidential resume and salary history to:

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## Prufrock

THE TROUBLE to which some people go to get their Sunday Times I reckon they deserve a medal. Just before 11 am every Sunday, Bill Russell drives 10 miles from the village where he lives to Calais just to get the paper. Then he drives 10 miles back again. The paper plus his petrol comes to about 70p. It also costs him his wife's acute disapproval when he spends the rest of the day reading it. When you are an expatriate, keeping in touch with home is sometimes an expensive and hazardous business.

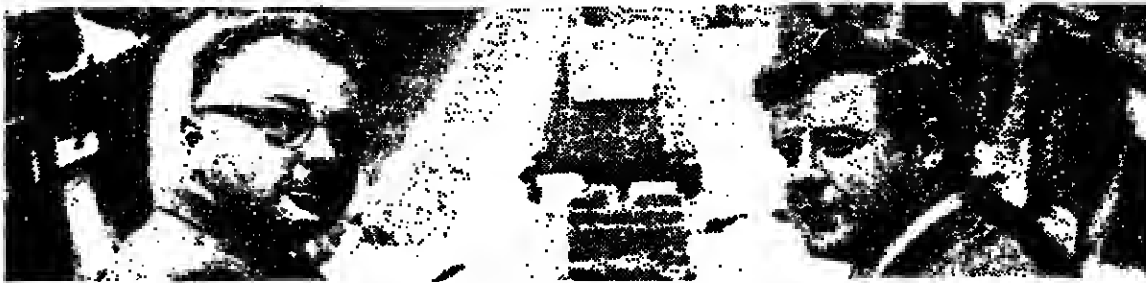
Russell is a member of the British business community in Calais and has been there for five years running the French subsidiary of Readicut International. Largely due to his efforts, housewives in France, Holland and Belgium sit at home reading the paper which has been made with Readicut wool and canvas.

With a delightful house in Ardres—the locals call it La Maison Anglaise—three sons at boarding school in Boulogne and fluent French with a Yorkshire accent, Russell is merging very successfully into the French scene. Someone telephoned him from England the other day just to tell him what the Yorkshire cricket score was. "But I've forgotten all about cricket," he says. "There's a terrible thing for a Yorkshireman to admit."

Five years makes him a comparative newcomer to the Calais scene. The British were supposed to have moved out in 1558 after holding the town for over 200 years, but looking at it now you wouldn't think so. Not just because there's Watney Red on draught in the café in the car ferry terminal and GB cars heading through the town in a constant stream. For on a day with good visibility, the British presence in Calais is observable not very long after you clear Dover Harbour in the form of a smudge of smoke on the horizon from the chimneys of the British Titan Products plant.

The plant makes titanium dioxide, which is the stuff which puts brightness and whiteness into paint. It cost £8 million when it was first built and is currently being expanded to double capacity, which means 60,000 tons of brightness and whiteness a year. It employs 330 people and is run by two British managers, Bill Stewart and Ken Skatt.

British names like theirs



Bill Russell (right, with his assistant Ronald Bell), trying not to wave his arms about

## An Englishman's home is his Calais



Denis Gregson mans the AA office, repatriating mangled cars



Riley, now a local worthy

literally dot the Calais telephone directory. They are unmistakable. Bacon, Barton, Boots, Gregson, Johnson, Stubbs, Small, Wheatley and Worthington. Some go back to early last century when Nottingham lace weavers smuggled dismantled looms across the Channel on fishing boats and founded the town's present machine-made lace industry. Theirs was an early one hold in the Common Market. Based in Nottingham they faced high European tariffs.

Others go back to when Brampton Reynolds built a chain factory in Calais 90 years ago. Others to the 1920s when Courtaulds arrived. Yet others to when the hovercraft came. Terry Halfacre (no, they don't call him Monsieur Demihactare) is station superintendent for Hoverlloyd at the Calais Harbour. A few years ago he used to work on The Sunday Times, helping make up the advertising pages.

Of course not all British investment is on the scale of Courtaulds or British Titan, the two largest jumps. There's a nice florist in town called Mai Flor which is owned by a Scot. Nor are all the British employed by Britons—one of the porters at the Hotel du Sauvage used to be a fore-

man finisher in a Lancashire leather works.

It is surprising how few British executives there are, considering the scale of British investment (estimated at between £40 and £50 million). Besides the companies I've mentioned, Lines Brothers, Lake and Elliot, Universal Mattbey and Whessoe all have factories there. The most recent arrival is Rist's Wires and Cables, which is part of the Joseph Lucas group.

Calais claims it has the largest single concentration of British investment on the European mainland—20% of the industrial labour force, about 4,000 workers, is employed by British firms. Which was exactly the French intention. Designated a depressed area, the French offer very specific incentives to British companies moving in and creating employment: a 25% grant, a five-year holiday from local rates and other help such as subsidies for personnel training.

The Calaisiens don't mess about when they make up their minds about something like involving the British in their affairs. The Calais Rotary club even has a British president, certainly the first ever in the town and possibly in France.

He is Bernard Riley, who has been in France for 25 years and has quite specifically been marketing his knowledge and expertise of French business to British firms. He used to be general manager of Lake and Elliot in Calais, but is now running British Dredging's French offshoot at Dunkirk, where he has successfully sold French construction companies the idea of using sea dredged aggregates, which they were not accustomed to using in northern France, that he sold a million tons at £1 a ton last year.

British Dredging's progress, and the opportunities offered by the building of the huge Calais-Dunkirk port and industrial complex to rival Rotterdam over the next 25 years, has already brought the competition's dredgers into harbour.

Riley is totally integrated after 25 years. Both his son and daughter went to school and university in France, he lives in a small French hamlet of half a dozen houses, and he even brought his mother and father to France to live with him. They spent 15 years there and died within a few days of each other aged 89 and 86.

Riley even has an integrated

English secretary, the admirable Alice Waterfield who started with him in Coalville, Leicestershire, 30 years ago. She lives in Dunkirk with a cat called Pushkin.

Of course, in the beginning merging socially and professionally into the French scene is not achieved without effort. Unless you happen to speak fluent French before you arrive, the language is the first big demand on an executive settling in to run a French company.

"At first everything takes longer and you have to concentrate harder," says Bill Russell. "It's a bit lonely to start with, but life is very agreeable." There are, however, two concessions he has not made to his new French way of life. One is waving his arms when talking, a habit easily acquired, so he schools himself to sit with his hands on his elbows. The other was when he persuaded his staff of 40 that it wasn't necessary for them to shake hands with him every morning and evening.

He has also learned that when you advertise a product in France you need more space to spell out the message than in England. It is all the difference in the French language which sets up the column centimetres and costs more.

For the occupants of the 400,000 GB cars which pass through the port each year, the bonjour handshake is part of the fun. But one of the saddest bits of Calais business centres on repatriating broken down and smashed British cars. The job is in the hands of the Gregson brothers, Denis and Maurice, who are port agents for the AA. Their dad came to France after the First World War and set himself up in the car hire business, not self drive, but as a sort of hatman-driver with his own Rolls-Royce, catering for English visitors who wanted to tour in the grand manner.

Now the Gregsons concentrate on giving advice and support to AA members. At this time of the year the unhappy smashed car traffic reaches its peak, between 800 to 900 vehicles being repatriated through Calais alone in two months. It is a business that has its lighter moments though—like AA members telephoning to announce they have lost their wives, forgotten where they have parked their car in some provincial French town or to inform them they are having their vehicle towed to the nearest garage by bullock. When he's not too busy on a Sunday, Denis Gregson reads The Sunday Times. Maybe we ought to set up a printing plant there.

Philip Clarke

## Spectres at the mortgage feast

£ ODD AND slightly worrying things seem to be happening in the staid world of the building societies. They are flexing their muscles mightily, pointing to their fantastic recent growth, both in borrowing and in lending. But the net result seems to be little more than rocketing house prices, all-time record mortgage rates, and still not anything like enough good-quality, run-of-the-mill accommodation in the places where people actually want to live nowadays. Are these great (if somewhat cumbersome) machines for translating savings into bricks and mortar really doing the best job that they are capable of?

One's first concern, naturally, is with the sheer size of the operation these days. Home loans in July reached yet another historic peak, and by the end of the year look like easily topping £2,500 million. This would represent a clear jump of more than a quarter in 12 months. And although obviously quite a lot of this is a straight result of inflation—new house prices in the first part of 1971 were a good 10% dearer than in early 1970—there is still very substantial recruitment going on to the ranks of the owner-occupiers.

To meet their needs, the country's savings are being tapped on an equally lavish scale. July's inflow, at £187 million, felt only slightly short of last December's record. But the bare figures need to be put into the sort of context presented last week by the researchers of the Bristol & West Building Society. They pointed out that, by 1973, the mortgage-men, at their present rate, will have become the biggest financial power in the country. Even by the end of this year it looks as though their assets will exceed the combined deposits of all the London, Scottish and Northern Ireland banks. And in another two years they have every chance of edging out the life insurance industry, whose book assets (at £13,500 million, against the building societies' £12,000 million) keep them currently in the lead.

But these rather rah! rah! observations conceal a somewhat serious state of affairs. Building societies are the classic exponent of that well-known financial sin, borrowing short and lending long, which has caused more bank failures and white-collar suicides than anything else in commercial history. They take in cash over the counter, freely repayable at, at most, a few weeks' notice and

## ANY OTHER BUSINESS



by Peter Wilsher

in practice on demand; and then lend the money, on terms of anything between 20 and 35 years, to people who promptly invest the money in that most solid of securities, the roof over their own head.

Up to now—in fact, for the last 120 years—this structure has been effectively protected by one fact: that the people who put their savings into building societies are not the kind of volatile, ribbitigibbet, speculator characters who switch their money around in search of a quick extra 1% on the interest rate. But things could be changing here, in a rather important and serious way.

£ Usually, and traditionally, building societies are not the market leaders in interest rates. For the serious, sensitive kind of money—£10,000 and upwards, sitting in the hands of a local solicitor and looking for the most remunerative, though riskless home—the favoured outlet is normally the local authority loan. But since the bank rate came down by a full 1% in April, and every one but the building societies adjusted their rates accordingly, this balance has dramatically changed. Now the sensitive, serious money has every incentive to go for the highly-competitive building society rate—especially as they can have virtually instant repayment, as soon as a more attractive opportunity heaves into view. One has a nasty suspicion that a very large part of

the recent build-up of I have come from this source. And if, for an to flow elsewhere, present mortgage fe return to famine very indeed.

In any case there a rather peculiar featu this present mortgage f instance, the building give as the official re they cannot reduce th very high interest rat size of the "unsatisfi for mortgages. Yet: them are now findi sary to advertise quite that they have "mo able for lending." And the fact that a record these additional funds a at the moment, not house-buying deals, "liquidity reserves," societies keep maybe their funds this w because so many deal months to complete cash, though carmarke yet changed haods. E moment—and indeed end of last year when Registrar of Friend commented on the ph these "reserves" have tween 17 and 18.5%, of —which oceans som billion of idle cash i around in the system.

£ Even when the n through to real no ever, it appears tr ing on the mai rather ambiguous way mean is that a great d going to finance the highly inflationary in the prices of existin and relatively little building, even in the S

Over the last decade, pattern has been that of all mortgage lending into new homes, and into old ones; but cur balance has shifted to ter: three-quarters. O believe this to be whi nected with the fallu Great 1971 New House heard so much about t into anything like its full glory. And it does raise tion as to whether the are really putting the where the need is.

Frankly, I'm puzzled does seem that it is u upon the men who are run Britain's most financial engine to com some answers as to w think they are driving

Important

## To the Shareholders of BOVRIL LIMITED WHICH IS THE BETTER BID?

—Cavenham's or Rowntree's?

Here are the facts:

### 1. VALUE OF BID

Cavenham's offer is worth 483p per Bovril share.  
Rowntree's offer is worth 446p per Bovril share.  
(see Note 1)

### 2. SECURITY

Cavenham's share offer is underwritten for cash.  
Rowntree's is not.

### 3. PROFITS GROWTH

Cavenham is forecasting earnings growth this year of 30-40%.  
(see Note 2)  
Rowntree is forecasting 7½-12%.

### 4. SHARE PRICE GROWTH

£100 invested in Cavenham in 1965 would be worth £320 today.  
£100 invested in Rowntree at the same time would be worth £150 today.  
(see Note 3)

**Cavenham's offer** is by each of these tests a better and more valuable offer than that of Rowntree.

The Bovril Board are recommending the Rowntree offer, but indeed they also recommended the original Rowntree offer of 355p per share, which was worth £3,500,000 less than the present Stock Market value of your shares.

**Accept Cavenham's** offer and participate in a strong vital group comprising both Bovril and Cavenham.

### NOTES

- In each case the value of the share element is based on latest middle market quotations. The unsecured loan stocks are valued at par and the convertible loan stocks at values as advised by brokers.
- The profit forecast which does not include any part of the profit on the sale to the Southlands Corporation of a 49.99% interest in the group's retailing activities, is prepared on the assumptions set out below:
  - trading and economic conditions in which the companies carry on business will not change materially;
  - interest rates and the bases and rates of taxation, both direct and indirect, will not change materially;
  - trading results will not be affected by industrial disputes in the companies' factories or in those of its principal suppliers;
  - there will be no material change in international exchange rates or import duties and import or export regulations;
  - the agreement with the Southland Corporation mentioned above will be completed by 31st August, 1971.
- The share price growth is based on the highest price in 1965 for ordinary shares of Cavenham and Rowntree and on the latest middle market quotations.
- The formal document containing details of the underwriting and reports by Keyser Ullmann Ltd. and Price Waterhouse & Co., on the revised profit forecast of Cavenham, will be posted to shareholders of Bovril early next week.

This advertisement is inserted by Cavenham Ltd., a duly authorised committee of the Board of which has carefully considered the statements of fact and information contained herein, and accept individually and collectively responsibility therefor.

14th August, 1971.